



## **DETAILED PROJECT REPORT**

### **GAJAK MAKING UNIT**

### **UNDER PMFME SCHEME**



National Institute of Food Technology Entrepreneurship and Management

Ministry of Food Processing Industries

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**1. PROJECT SUMMARY**

1. Name of the proposed project	:	Gajak Making Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	162000 Kg/annum(50,55,60,65& 70% capacity utilization in 1 <sup>st</sup> to 5 <sup>th</sup> Year respectively)
4. Raw material	:	Sesame, Jaggery and Water
5. Major product outputs	:	Gajak
6. Total project cost	:	Rs. 22.92 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 14.10 Lakh
• Miscellaneous Fixed Assets	:	Rs. 1.60 Lakh
• Working capital	:	Rs. 7.22 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 5.50 Lakh
• Promoter's contribution (min10%)	:	Rs. 2.29 Lakh
• Term loan	:	Rs. 8.64 Lakh
• Working Capital Requirement	:	Rs. 6.50 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1 <sup>st</sup> year	:	Rs. 1.73 Lakh
• 2 <sup>nd</sup> year	:	Rs. 3.72 Lakh
• 3 <sup>rd</sup> year	:	Rs. 5.74 Lakh
• 4 <sup>th</sup> year	:	Rs. 8.10 Lakh
• 5 <sup>th</sup> year	:	Rs. 10.50 Lakh
11. Average DSCR	:	Rs. 3.70
12. Term loan repayment	:	5 Years with 6 months grace period

## 2. ABOUT THE PRODUCT

### 2.1. PRODUCT INTRODUCTION:

Jaggery and confectionery are the classical decentralized cane sweets prepared and used by many people all over the world. Both are playing an overriding role in the sugar economy by reaching the demands of export trade. Traditionally, India has been producing jaggery and confectionery for export revenues and is the foremost leading countries in exporting jaggery and confectionery since the ancient period. The current stage of jaggery exports is not consistent with high variance in prices due to changing market scenario, income and taste patterns. India with divergent food habits is having a number of traditional foods, including sweet products. Brittle Gajak is one of the popular Indian traditional sweet snacks. Brittle Gajak is mainly prepared using jaggery as a sweetener and roasted nuts/sesame. Mostly liked by all age groups, also possesses nutritional importance in it.

#### **Benefits:**

The demand for functional ingredients in Gajak is rising, owing to their nutritional benefits.

- Boosts Digestion: Sesame seeds and jaggery are both great for digestion and ensure regular bowel movements.

- **Boosts Skin Health:** Sesame seeds have anti-inflammatory properties that are good for the skin, which tends to become dry and flaky during winters.
- **Boosts Energy Levels:** The presence of jaggery in gajak makes it a great energiser. Even sesame seeds are great for boosting energy levels, due to the presence of high levels of good fat in them. Eating a small piece before or after your workout may boost energy or fasten recovery, respectively.
- **Satiating Fiber:** Gajak is filling, as sesame seeds are rich in fiber, which makes it a good winter snack.

## **2.2. MARKET POTENTIAL:**

Gajak, also called as peanut brittle in western countries is a ready to eat traditional sweet snack, which is popular throughout the country and consumed by all the sections of the population. The functional food industry in India is strong and is a growing force in the international health foods market. The health and wellness foods market is currently estimated to be in the vicinity of USD 1.6 billion and was of USD 7.5–10 billion by the year 2015. According to market statistics, the global functional food and nutraceuticals market is increasing with a compound annual growth rate (CAGR) of 7.4% that is outpacing the traditional processed food market and is expected to reach USD 180 billion in 2018.

In the world, India ranks first in the production and area of sesame seeds and is grown in different seasons covering practically all agro-ecological zones. Sesame is a rich source of calcium (approx. 1%) and phosphorous (approx. 0.7%). Sesame contains ample amounts of oleic (43%), linoleic (35%), palmitic (11%) and stearic acid (7%) which together comprise 96% of the total fatty acids (Sayed A et al., 2008) It has many uses and it is markedly different from other vegetable oils due to its high nutritional and therapeutic values. Gur

(Jaggery) is a natural, traditional sweetener made by the concentration of sugarcane juice and is known all over the world in different local names. India is the largest producer and consumer of jaggery. Out of total world production, more than 70% is produced in India.

### 2.3. RAW MATERIAL DESCRIPTION:

The raw materials required for Gajak is as follow:

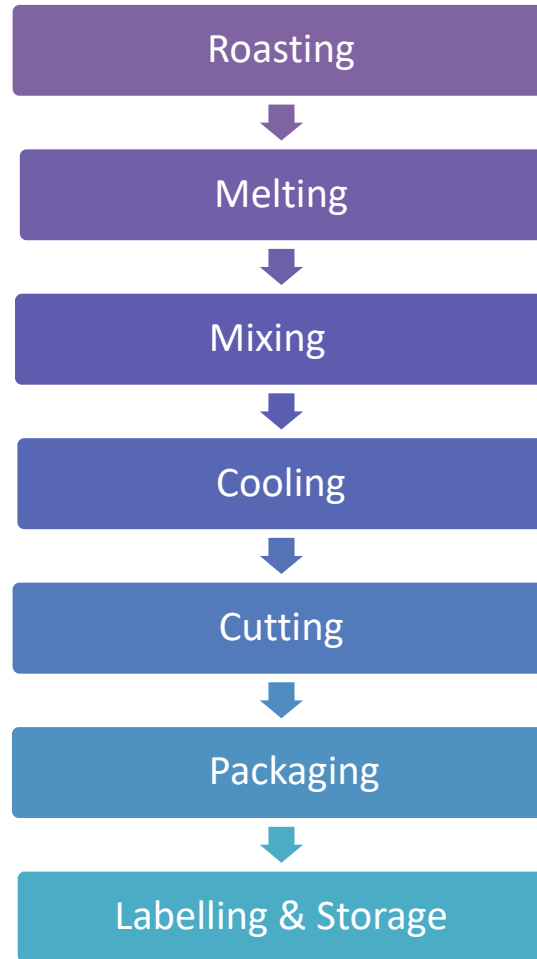
- Sesame
- Jaggery
- Water

S.N.	Particulars	Rate per Kg
1	Sesame	Rs. 120-150
2	Jaggery	Rs. 45-50

Average raw material cost per 1 kg packet of Gajak: Rs. 50-60

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

- First step is to roast the sesame in the roasting machine to withdraw the rawness in the seeds and kept aside to cool down.
- Side by side jaggery and water is melted together to make a sugary syrup which later after cooling is kneading to look like a loosened dough.
- Next step involves the mixing of sesame and the jaggery syrup together and are properly mashed and mixed such that the sesame seeds break into coarse material mixed in the melted jaggery.
- The mixture is then put into the machine for further cooling, shaping and cutting into bars.
- The final stage is the packaging stage, where the finished confectionery is packaged by using packaging machine or it can also be done manually.



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

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

1. Production Capacity of Gajak is 75 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 20 days and Finished goods Closing Stock has been taken for 10 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.

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

<b><u>COMPUTATION OF PRODUCTION OF GAJAK</u></b>		
<b>Items to be Manufactured</b>		
Gajak		
Machine capacity Per hour	75	Kg
Total working Hours	8	
Machine capacity Per Day	600	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	10%	
Raw material requirement	180000	Kg
Final Output per annum after wastage	162000	Kg
Final Product to be packed in 1 kg packet		
Number of packets per annum	162000	1 Kg Packet

<b>Production of Gajak</b>		
<b>Production</b>	<b>Capacity</b>	<b>KG</b>
1st year	50%	81,000
2nd year	55%	89,100
3rd year	60%	97,200
4th year	65%	1,05,300
5th year	70%	1,13,400




<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	50%	50.00	45.00
2nd year	55%	53.00	52.47
3rd year	60%	56.00	60.48
4th year	65%	59.00	69.03
5th year	70%	62.00	78.12

<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	-	2,700	2,970	3,240	3,510
Production	81,000	89,100	97,200	1,05,300	1,13,400
Less : Closing Stock	2,700	2,970	3,240	3,510	3,780
<b>Net Sale</b>	<b>78,300</b>	<b>88,830</b>	<b>96,930</b>	<b>1,05,030</b>	<b>1,13,130</b>
Sale price per packet	110.00	116.00	122.00	128.00	134.00
<b>Sales (in Lacs)</b>	<b>86.13</b>	<b>103.04</b>	<b>118.25</b>	<b>134.44</b>	<b>151.59</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.
Jaggery syrup making kettle	These kettles have the limpet elaborate heating surface which helps in making the syrup quickly without charring and burning.	
Sesame Roasting Machine	Used in roasting sesame. This machine can also roast all types of edible seeds.	
Sesame Bar making machine	This compact machine includes: <ul style="list-style-type: none"> <li>✓ Gajak mix rolling and feeding system</li> <li>✓ Gajak mix cooling system</li> <li>✓ Gajak bar cutting/slicing machine</li> </ul>	

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RO Water Plant	It is a water purification process that uses a partially permeable membrane to separate ions, unwanted molecules and larger particles from drinking water.	
Material handling Equipments & other equipments	These Equipments are used for material handling.	

Machine	Unit	Rate	Price
Jaggery syrup making kettle (250-500 L)	1	1,15,000	1,15,000
Sesame Roasting Machine (80 kg/hr)	1	2,20,000	2,20,000
Sesame Bar making machine (75 kg/ hour)	1	6,45,000	6,45,000
RO Water Plant (200-500 L)	1	1,80,000	1,80,000
Material handling Equipments & other equipments	-	2,50,000	2,50,000

**Note:** Approx. Total Machinery cost shall be Rs 14.10 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	14.10
Miscellaneous Assets	1.60
Working capital	7.22
<b>Total</b>	<b>22.92</b>

#### 4.7. MEANS OF FINANCE

<b>MEANS OF FINANCE</b>	
<b>PARTICULARS</b>	<b>AMOUNT</b>
Own Contribution (min 10%)	2.29
Subsidy @35%(Max. Rs 10 Lac)	5.50
Term Loan @ 55%	8.64
Working Capital (Bank Finance)	6.50
<b>Total</b>	<b>22.92</b>

**4.8. TERM LOAN:** Term loan of Rs. 8.64 Lakh is required for project cost of Rs. 22.92 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
<b>1st</b>	Opening Balance						
	1st month	-	8.64	8.64	-	-	8.64
	2nd month	8.64	-	8.64	0.08	-	8.64
	3rd month	8.64	-	8.64	0.08	-	8.64
	4th month	8.64	-	8.64	0.08		8.64
	5th month	8.64	-	8.64	0.08		8.64
	6th month	8.64	-	8.64	0.08		8.64
	7th month	8.64	-	8.64	0.08	0.16	8.48
	8th month	8.48	-	8.48	0.08	0.16	8.32
	9th month	8.32	-	8.32	0.08	0.16	8.16
	10th month	8.16	-	8.16	0.07	0.16	8.00
	11th month	8.00	-	8.00	0.07	0.16	7.84
	12th month	7.84	-	7.84	0.07	0.16	7.68
					0.85	0.96	
<b>2nd</b>	Opening Balance						
	1st month	7.68	-	7.68	0.07	0.16	7.52

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	2nd month	7.52	-	7.52	0.07	0.16	7.36
	3rd month	7.36	-	7.36	0.07	0.16	7.20
	4th month	7.20	-	7.20	0.07	0.16	7.04
	5th month	7.04	-	7.04	0.06	0.16	6.88
	6th month	6.88	-	6.88	0.06	0.16	6.72
	7th month	6.72	-	6.72	0.06	0.16	6.56
	8th month	6.56	-	6.56	0.06	0.16	6.40
	9th month	6.40	-	6.40	0.06	0.16	6.24
	10th month	6.24	-	6.24	0.06	0.16	6.08
	11th month	6.08	-	6.08	0.06	0.16	5.92
	12th month	5.92	-	5.92	0.05	0.16	5.76
					<b>0.75</b>	<b>1.92</b>	
<b>3rd</b>	Opening Balance						
	1st month	5.76	-	5.76	0.05	0.16	5.60
	2nd month	5.60	-	5.60	0.05	0.16	5.44
	3rd month	5.44	-	5.44	0.05	0.16	5.28
	4th month	5.28	-	5.28	0.05	0.16	5.12
	5th month	5.12	-	5.12	0.05	0.16	4.96
	6th month	4.96	-	4.96	0.05	0.16	4.80
	7th month	4.80	-	4.80	0.04	0.16	4.64
	8th month	4.64	-	4.64	0.04	0.16	4.48
	9th month	4.48	-	4.48	0.04	0.16	4.32
	10th month	4.32	-	4.32	0.04	0.16	4.16
	11th month	4.16	-	4.16	0.04	0.16	4.00

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	12th month	4.00	-	4.00	0.04	0.16	3.84
					<b>0.54</b>	<b>1.92</b>	
<b>4th</b>	Opening Balance						
	1st month	3.84	-	3.84	0.04	0.16	3.68
	2nd month	3.68	-	3.68	0.03	0.16	3.52
	3rd month	3.52	-	3.52	0.03	0.16	3.36
	4th month	3.36	-	3.36	0.03	0.16	3.20
	5th month	3.20	-	3.20	0.03	0.16	3.04
	6th month	3.04	-	3.04	0.03	0.16	2.88
	7th month	2.88	-	2.88	0.03	0.16	2.72
	8th month	2.72	-	2.72	0.02	0.16	2.56
	9th month	2.56	-	2.56	0.02	0.16	2.40
	10th month	2.40	-	2.40	0.02	0.16	2.24
	11th month	2.24	-	2.24	0.02	0.16	2.08
	12th month	2.08	-	2.08	0.02	0.16	1.92
					<b>0.33</b>	<b>1.92</b>	
<b>5th</b>	Opening Balance						
	1st month	1.92	-	1.92	0.02	0.16	1.76
	2nd month	1.76	-	1.76	0.02	0.16	1.60
	3rd month	1.60	-	1.60	0.01	0.16	1.44
	4th month	1.44	-	1.44	0.01	0.16	1.28
	5th month	1.28	-	1.28	0.01	0.16	1.12
	6th month	1.12	-	1.12	0.01	0.16	0.96
	7th month	0.96	-	0.96	0.01	0.16	0.80
	8th month	0.80	-		0.01	0.16	0.64



			0.80			
9th month	0.64	-	0.64	0.01	0.16	0.48
10th month	0.48	-	0.48	0.00	0.16	0.32
11th month	0.32	-	0.32	0.00	0.16	0.16
12th month	0.16	-	0.16	0.00	0.16	-
				<b>0.11</b>	<b>1.92</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><u>Finished Goods</u></b>						
	2.40	2.76	3.13	3.53	3.93	
<b><u>Raw Material</u></b>						
	3.00	3.50	4.03	4.60	5.21	
<b>Closing Stock</b>	<b>5.40</b>	<b>6.26</b>	<b>7.16</b>	<b>8.13</b>	<b>9.14</b>	

<b>COMPUTATION OF WORKING CAPITAL REQUIREMENT</b>					
<b>TRADITIONAL METHOD</b>				<b>(in Lacs)</b>	
<b>Particulars</b>	<b>Amount</b>	<b>Own Margin</b>		<b>Bank Finance</b>	
Finished Goods & Raw Material	5.40				
Less : Creditors	1.05				
<b>Paid stock</b>	<b>4.35</b>	<b>10%</b>	<b>0.44</b>	<b>90%</b>	<b>3.92</b>
<b>Sundry Debtors</b>	<b>2.87</b>	<b>10%</b>	<b>0.29</b>	<b>90%</b>	<b>2.58</b>
	<b>7.22</b>		<b>0.72</b>		<b>6.50</b>
<b>MPBF</b>					<b>6.50</b>
<b>WORKING CAPITAL LIMIT DEMAND ( from Bank)</b>					<b>6.50</b>
<b>Working Capital Margin</b>					<b>0.72</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>
Machine Operator	15,000	3	45,000
Supervisor	20,000	1	20,000
Skilled (in thousand rupees)	12,000	4	48,000
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 Rs. per Month</b>	<b>No of Employees</b>	<b>Total Salary</b>
Administrative Staff	8,000	4	32,000
Manager	20,000	1	20,000
Accountant	15,000	1	15,000
<b>Total salary per month</b>			<b>67,000</b>
<b>Total annual Staff charges</b>	<b>(in lacs)</b>		<b>8.04</b>

#### 4.12 POWER REQUIREMENT

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

**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	14.10	1.60	15.70
Total	14.10	1.60	15.70
Less : Depreciation	2.12	0.16	2.28
<b>WDV at end of Year</b>	<b>11.99</b>	<b>1.44</b>	<b>13.43</b>
Additions During The Year	-	-	-
Total	11.99	1.44	13.43
Less : Depreciation	1.80	0.14	1.94
<b>WDV at end of Year</b>	<b>10.19</b>	<b>1.30</b>	<b>11.48</b>
Additions During The Year	-	-	-
Total	10.19	1.30	11.48
Less : Depreciation	1.53	0.13	1.66
<b>WDV at end of Year</b>	<b>8.66</b>	<b>1.17</b>	<b>9.83</b>
Additions During The Year	-	-	-
Total	8.66	1.17	9.83
Less : Depreciation	1.30	0.12	1.42
<b>WDV at end of Year</b>	<b>7.36</b>	<b>1.05</b>	<b>8.41</b>
Additions During The Year	-	-	-
Total	7.36	1.05	8.41
Less : Depreciation	1.10	0.10	1.21
<b>WDV at end of Year</b>	<b>6.26</b>	<b>0.94</b>	<b>7.20</b>

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

#### 4.15. PROJECTIONS OF PROFITABILITY ANALYSIS

<b><u>PROJECTED PROFITABILITY STATEMENT</u></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>	
Capacity Utilisation %	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>	
<b><u>SALES</u></b>						
<b>Gross Sale</b>						
Gajak	86.13	103.04	118.25	134.44	151.59	
<b>Total</b>	<b>86.13</b>	<b>103.04</b>	<b>118.25</b>	<b>134.44</b>	<b>151.59</b>	
<b><u>COST OF SALES</u></b>						
Raw Material Consumed	45.00	52.47	60.48	69.03	78.12	
Electricity Expenses	2.40	2.76	3.17	3.65	4.02	
Depreciation	2.28	1.94	1.66	1.42	1.21	
Wages & labour	17.64	20.29	22.31	24.55	26.51	
Repair & maintenance	2.15	2.58	2.96	3.36	3.79	
Packaging	2.58	2.89	3.31	3.76	4.24	
<b>Cost of Production</b>	<b>72.05</b>	<b>82.92</b>	<b>93.89</b>	<b>105.77</b>	<b>117.89</b>	
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>2.40</b>	<b>2.76</b>	<b>3.13</b>	<b>3.53</b>	
<b>Less: Closing Stock /WIP</b>	<b>2.40</b>	<b>2.76</b>	<b>3.13</b>	<b>3.53</b>	<b>3.93</b>	
Cost of Sales	69.65	82.56	93.53	105.37	117.48	
<b>GROSS PROFIT</b>	<b>16.48</b>	<b>20.49</b>	<b>24.73</b>	<b>29.07</b>	<b>34.11</b>	
	<b>19.13%</b>	<b>19.88%</b>	<b>20.91%</b>	<b>21.62%</b>	<b>22.50%</b>	
Salary to Staff	8.04	9.49	10.91	11.78	12.96	
Interest on Term Loan	0.85	0.75	0.54	0.33	0.11	
Interest on working Capital	0.72	0.72	0.72	0.72	0.72	
Rent	3.60	3.96	4.36	4.79	5.27	
selling & adm exp	1.55	1.85	2.13	2.42	2.73	
<b>TOTAL</b>	<b>14.75</b>	<b>16.76</b>	<b>18.65</b>	<b>20.04</b>	<b>21.79</b>	
<b>NET PROFIT</b>	<b>1.73</b>	<b>3.72</b>	<b>6.08</b>	<b>9.03</b>	<b>12.32</b>	
	<b>2.00%</b>	<b>3.61%</b>	<b>5.14%</b>	<b>6.72%</b>	<b>8.13%</b>	
Taxation	-	-	0.34	0.93	1.82	
<b>PROFIT (After Tax)</b>	<b>1.73</b>	<b>3.72</b>	<b>5.74</b>	<b>8.10</b>	<b>10.50</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>	86.13	103.04	118.25	134.44	151.59
Less : Op. WIP Goods	-	2.40	2.76	3.13	3.53
Add : Cl. WIP Goods	2.40	2.76	3.13	3.53	3.93
<b>Total Sales</b>	<b>88.53</b>	<b>103.41</b>	<b>118.62</b>	<b>134.83</b>	<b>152.00</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material Consumed	45.00	52.47	60.48	69.03	78.12
Electricity Exp/Coal Consumption at 85%	2.04	2.35	2.70	3.10	3.41
Wages & Salary at 60%	15.41	17.86	19.93	21.80	23.68
Selling & administrative Expenses 80%	1.24	1.48	1.70	1.94	2.18
Interest on working Capital	0.715	0.715	0.715	0.715	0.715
Repair & maintenance	2.15	2.58	2.96	3.36	3.79
Packaging	2.58	2.89	3.31	3.76	4.24
<b>Total Variable &amp; Semi Variable Exp</b>	<b>69.14</b>	<b>80.34</b>	<b>91.80</b>	<b>103.71</b>	<b>116.15</b>
<b>Contribution</b>	<b>19.39</b>	<b>23.07</b>	<b>26.82</b>	<b>31.13</b>	<b>35.85</b>
<b>Fixed &amp; Semi Fixed Expenses</b>					
Electricity Exp/Coal Consumption at 15%	0.36	0.41	0.48	0.55	0.60
Wages & Salary at 40%	10.27	11.91	13.29	14.53	15.79
Interest on Term Loan	0.85	0.75	0.54	0.33	0.11
Depreciation	2.28	1.94	1.66	1.42	1.21
Selling & administrative Expenses 20%	0.31	0.37	0.43	0.48	0.55
Rent	3.60	3.96	4.36	4.79	5.27
<b>Total Fixed Expenses</b>	<b>17.67</b>	<b>19.34</b>	<b>20.74</b>	<b>22.10</b>	<b>23.53</b>
<b>Capacity Utilization</b>	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>
<b>OPERATING PROFIT</b>	<b>1.73</b>	<b>3.72</b>	<b>6.08</b>	<b>9.03</b>	<b>12.32</b>
<b>BREAK EVEN POINT</b>	<b>46%</b>	<b>46%</b>	<b>46%</b>	<b>46%</b>	<b>46%</b>
<b>BREAK EVEN SALES</b>	<b>80.65</b>	<b>86.72</b>	<b>91.73</b>	<b>95.71</b>	<b>99.77</b>

**4.17. PROJECTED BALANCE SHEET**

<b><u>PROJECTED BALANCE SHEET</u></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		7.51	8.73	10.47	12.57	
Add:- Own Capital	2.29					
Add:- Retained Profit	1.73	3.72	5.74	8.10	10.50	
Less:- Drawings	2.00	2.50	4.00	6.00	8.00	
Subsidy/grant	5.50					
Closing Balance	7.51	8.73	10.47	12.57	15.07	
Term Loan	7.68	5.76	3.84	1.92	-	
Working Capital Limit	6.50	6.50	6.50	6.50	6.50	
Sundry Creditors	1.05	1.22	1.41	1.61	1.82	
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86	
<b>TOTAL :</b>	<b>23.14</b>	<b>22.72</b>	<b>22.82</b>	<b>23.32</b>	<b>24.26</b>	
<b><u>Assets</u></b>						
<b>Fixed Assets ( Gross)</b>	15.70	15.70	15.70	15.70	15.70	
Gross Dep.	2.28	4.22	5.87	7.29	8.50	
<b>Net Fixed Assets</b>	<b>13.43</b>	<b>11.48</b>	<b>9.83</b>	<b>8.41</b>	<b>7.20</b>	
<b>Current Assets</b>						
Sundry Debtors	2.87	3.43	3.94	4.48	5.05	
Stock in Hand	5.40	6.26	7.16	8.13	9.14	
Cash and Bank	1.44	1.54	1.89	2.30	2.87	
<b>TOTAL :</b>	<b>23.14</b>	<b>22.72</b>	<b>22.82</b>	<b>23.32</b>	<b>24.26</b>	

**4.18. CASH FLOW STATEMENT**

<b><u>PROJECTED CASH FLOW STATEMENT</u></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	2.29					
Net Profit	1.73	3.72	6.08	9.03	12.32	
Depriciation & Exp. W/off	2.28	1.94	1.66	1.42	1.21	
Increase in Cash Credit	6.50	-	-	-	-	
Increase In Term Loan	8.64	-	-	-	-	
Increase in Creditors	1.05	0.17	0.19	0.20	0.21	
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14	
Sunsidy/grant	5.50					
<b>TOTAL :</b>	<b>28.37</b>	<b>5.94</b>	<b>8.02</b>	<b>10.77</b>	<b>13.88</b>	
<b><u>APPLICATION OF FUND</u></b>						
Increase in Fixed Assets	15.70					
Increase in Stock	5.40	0.86	0.90	0.97	1.01	
Increase in Debtors	2.87	0.56	0.51	0.54	0.57	
Repayment of Term Loan	0.96	1.92	1.92	1.92	1.92	
Drawings	2.00	2.50	4.00	6.00	8.00	
Taxation	-	-	0.34	0.93	1.82	
<b>TOTAL :</b>	<b>26.93</b>	<b>5.84</b>	<b>7.67</b>	<b>10.36</b>	<b>13.32</b>	
Opening Cash & Bank Balance	-	1.44	1.54	1.89	2.30	
Add : Surplus	1.44	0.09	0.36	0.41	0.56	
Closing Cash & Bank Balance	<b>1.44</b>	<b>1.54</b>	<b>1.89</b>	<b>2.30</b>	<b>2.87</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	4.00	5.66	7.40	9.52	11.71
Interest on Term Loan	0.85	0.75	0.54	0.33	0.11
<b>Total</b>	<b>4.85</b>	<b>6.41</b>	<b>7.93</b>	<b>9.84</b>	<b>11.82</b>
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	0.96	1.92	1.92	1.92	1.92
Interest on Term Loan	0.85	0.75	0.54	0.33	0.11
<b>Total</b>	<b>1.81</b>	<b>2.67</b>	<b>2.46</b>	<b>2.24</b>	<b>2.03</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.68</b>	<b>2.40</b>	<b>3.23</b>	<b>4.39</b>	<b>5.81</b>
<b>AVERAGE D.S.C.R.</b>	<b>3.70</b>				