



## **Model Detailed Project Report**

### **JAGGERY POWDER UNIT**

**Prepared by**

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## 1. INTRODUCTION

Jaggery is also manufactured from sugarcane juice and is widely consumed in households, eateries, restaurants, sweetmeat shops etc. In crude form it has industrial applications also. In rural areas it is also a substitute for sugar. Manufacture of sugar



involves many technicalities and is capital intensive.

Production of jaggery is simple and does not call for large investment. Sugar industry in India is a well-developed industry and one of the largest sectors after textile. It provides rural employment opportunities

and plays an important role in the economy. Jaggery is a typical Indian product and finds wide application in day to day life food preparations. It is a rural industry and can be produced in sugar cane growing regions such as Maharashtra, U.P, Gujarat, Bihar etc.

## 2. MARKET POTENTIAL:

Production of jaggery is confined to the sugar cane growing belt as such the units are mostly located in UP, Bihar, Maharashtra and Tamil Nadu. Since it is an item of food consumption its market is ever growing and any new unit may not face any difficulty in marketing its product. Jaggery is one of the traditional items of various ingredients in Indian way of cooking. The demand for jaggery is there both in the rural as well as urban areas. It finds applications in day to day cooking. Unlike sugar the market of jaggery is seasonal during the harvesting of sugar cane. Traditionally the unit is a rural industry and should be located near the



area of its cultivation to reduce the transportation cost. The unit does not require elaborate infrastructure and generally the sugarcane juice is cooked in pen pans.

### **3. PRODUCT DESCRIPTION**

#### **3.1 PRODUCT BENEFITS**

Jaggery can be used in a number of ways in regular eating. You can take jaggery tea in the morning, in which ginger can also be added. Apart from this, you can eat jaggery directly like this. Jaggery kheer, jaggery chutney etc. Many jaggery dishes are also made, in which jaggery is used. Jaggery and Sing Dana chikki are made in Maharashtra, which is quite popular. In the south, jaggery is used to make kheer. In Bihar, jaggery is also used to make kheer. Also, jaggery roti's are also made there. Jaggery pedas are also made in Bengal and are also used in many sweet dishes. Jaggery is also specially used in making many sweets. Apart from this, you can consume jaggery with milk every day.

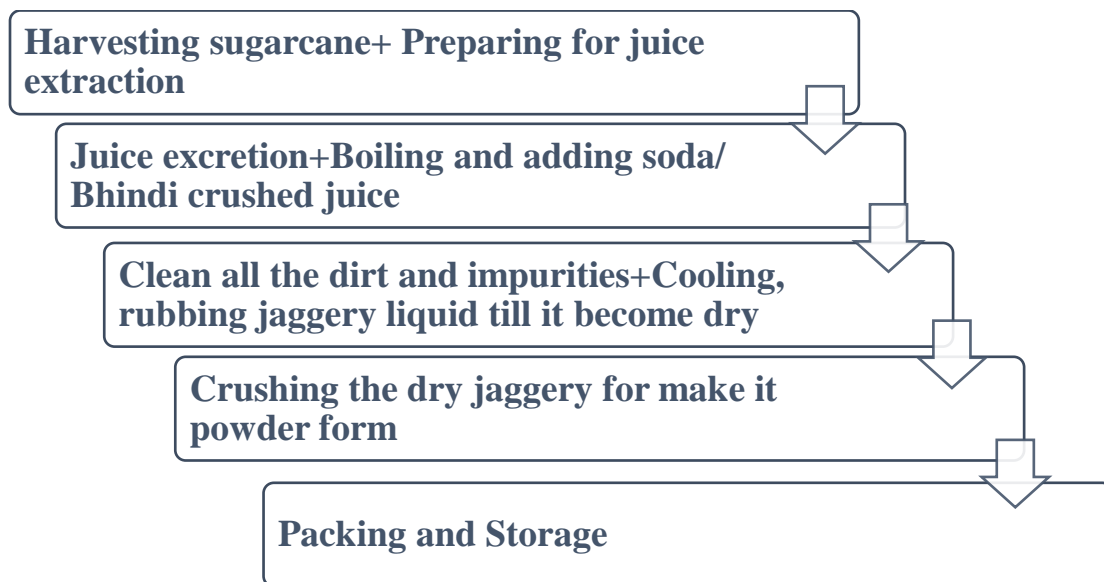
#### **3.2 RAW MATERIAL**

The raw material is for jaggery production is Mature sugarcane and lady finger or soda (which available locally). The unit will also require poly bags for packing the jaggery powder.



### **3.3 MANUFACTURING PROCESS**

It is a simple process, comprising crushing of sugarcane for juice extraction, filtration and boiling of juice for concentration and then cooling and solidifying to give jaggery blocks. The juice is extracted in conventional crusher; this is then filtered and boiled in shallow iron pans. During boiling chemical bleaching agents or natural vegetable items like Bhindi (Lady Finger) are added to clean the juice and the extraneous matter is constantly removed to give a bright golden color. The boiled juice is then left to cool in iron / aluminum pots to form the jaggery blocks. During cooling its Cooling, rubbing jaggery till it become dry, crush the jaggery for make it power. Sun drying recommended reducing its moisture level and it should go for packing and marketing.






## 4. PROJECT COMPONENTS

### 4.1 Land & Building

The approximate total area required for complete small-scale factory setup is 1200-1500 Sq. ft. approximately smooth production

### 4.2 Plant & Machinery

<p>Double roller sugar cane crusher</p> <p>(Rs – 10.00 Lakh/machine)</p> <p>Capacity 5 tons per day)</p>	<p>It is a machine which is used to crush the extracted sugarcane fibers in order to extract sugarcane juice efficiently.</p>	
<p>Storage tanks</p>	<p>These are used for storing the juice extracted from the crushing of sugarcane.</p>	
<p>Steel pans for boiling</p> <p>(Capacity 500-1000 liter)</p>	<p>For boiling the concentrate extracted, these pans are used.</p>	

<p>General Hand Tools</p>	<p>These are set of tools that are used by the operators or workers to perform the various tasks easily which machine themselves are not able to perform like scrapping away extra jaggery deposits in pans.</p>	
<p>Jaggery mould</p>	<p>Like any other mould these moulds are used to shape the jaggery concentrate into jaggery cubes.</p>	
<p>Grinder</p>	<p>After getting dry in the sun the jaggery cubes are grinded into powder with the help of grinder.</p>	

**Note:** Approx. Total Machinery cost shall be Rs 43.10 lakhs excluding GST and Transportation Cost.

### **4.3 Power Requirement**

The borrower shall require power load of 30 KW which shall be applied with Power Corporation. However, for standby power arrangement the borrower shall purchase DG Set.

### **4.4 Manpower Requirement**

12 Manpower are required for the Asafoetida Manufacturing Process.

Includes:

1 General Engineer

1 Supervisor

2 Skilled Labour

3 Unskilled Labour

4 Administrative Staffs

1 Accountant

## 5. FINANCIALS

### 5.1 Cost of Project

(in Lacs)			
PARTICULARS	AMOUNT	Own Contribution	Bank Finance
		25.00%	75.00%
Land & Building		Owned /Rented	
Plant & Machinery	43.10	10.78	32.33
Furniture & Fixtures and Other Assets	1.10	0.28	0.83
Working capital	53.33	13.33	40.00
<b>Total</b>	<b>97.53</b>	<b>24.38</b>	<b>73.15</b>

### 5.2 Means of Finance

PARTICULARS	AMOUNT
Own Contribution	24.38
Bank Loan	33.15
Working capital Limit	40.00
<b>Total</b>	<b>97.53</b>



### 5.3 Projected Balance Sheet

(in Lacs)					
<b>PROJECTED BALANCE SHEET</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		28.23	35.25	44.72	56.93
<i>Add:- Own Capital</i>	24.38				
Add:- Retained Profit	8.84	13.02	16.47	20.21	24.03
Less:- Drawings	5.00	6.00	7.00	8.00	12.00
Closing Blance	28.23	35.25	44.72	56.93	68.95
Term Loan	29.47	22.10	14.73	7.37	-
Working Capital Limit	40.00	40.00	40.00	40.00	40.00
Sundry Creditors	6.29	7.04	7.86	8.74	9.68
Provisions & Other Liab	0.35	0.42	0.50	0.60	0.73
<b>TOTAL :</b>	<b>104.33</b>	<b>104.81</b>	<b>107.81</b>	<b>113.63</b>	<b>119.36</b>
<b><u>Assets</u></b>					
<b>Fixed Assets ( Gross)</b>	44.20	44.20	44.20	44.20	44.20
Gross Dep.	6.58	12.17	16.93	20.98	24.43
<b>Net Fixed Assets</b>	<b>37.63</b>	<b>32.03</b>	<b>27.27</b>	<b>23.22</b>	<b>19.77</b>
<b>Current Assets</b>					
Sundry Debtors	15.60	19.99	22.31	24.82	27.52
Stock in Hand	45.34	50.79	56.42	62.53	69.14
Cash and Bank	5.77	2.00	1.80	3.06	2.93
<b>TOTAL :</b>	<b>104.33</b>	<b>104.81</b>	<b>107.81</b>	<b>113.63</b>	<b>119.36</b>

## 5.4 Projected Cash Flow

(in Lacs)					
<b>PROJECTED CASH FLOW STATEMENT</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	24.38				
Net Profit	9.05	14.61	19.68	25.10	30.63
Depreciation & Exp. W/off	6.58	5.59	4.76	4.05	3.45
Increase in Cash Credit	40.00	-	-	-	-
Increase In Term Loan	33.15	-	-	-	-
Increase in Creditors	6.29	0.75	0.81	0.88	0.95
Increase in Provisions & Oth lib	0.35	0.07	0.08	0.10	0.12
<b>TOTAL :</b>	<b>119.79</b>	<b>21.03</b>	<b>25.34</b>	<b>30.13</b>	<b>35.15</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	44.20				
Increase in Stock	45.34	5.46	5.63	6.11	6.61
Increase in Debtors	15.60	4.39	2.32	2.50	2.70
Repayment of Term Loan	3.68	7.37	7.37	7.37	7.37
Drawings	5.00	6.00	7.00	8.00	12.00
Taxation	0.20	1.59	3.21	4.89	6.61
<b>TOTAL :</b>	<b>114.02</b>	<b>24.80</b>	<b>25.53</b>	<b>28.87</b>	<b>35.28</b>
Opening Cash & Bank Balance	-	5.77	2.00	1.80	3.06
Add : Surplus	5.77	(3.77)	(0.20)	1.26	(0.13)
Closing Cash & Bank Balance	<b>5.77</b>	<b>2.00</b>	<b>1.80</b>	<b>3.06</b>	<b>2.93</b>

## 5.5 Projected Profitability

(in Lacs)					
<b>PROJECTED PROFITABILITY STATEMENT</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>75%</b>	<b>80%</b>	<b>85%</b>	<b>90%</b>	<b>95%</b>
<b><u>SALES</u></b>					
<b>Gross Sale</b>					
Jaggery Powder	234.00	299.88	334.72	372.29	412.78
<b>Total</b>	<b>234.00</b>	<b>299.88</b>	<b>334.72</b>	<b>372.29</b>	<b>412.78</b>
<b>COST OF SALES</b>					
Raw Material Consumed	202.12	226.38	252.56	280.79	311.21
Electricity Expenses	5.40	5.94	6.53	7.19	7.91
Depreciation	6.58	5.59	4.76	4.05	3.45
Wages & labour	13.44	14.78	16.26	17.89	19.68
Repair & maintenance	4.68	7.50	8.37	9.31	10.32
<b>Cost of Production</b>	<b>232.22</b>	<b>260.20</b>	<b>288.48</b>	<b>319.22</b>	<b>352.56</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>30.96</b>	<b>34.69</b>	<b>38.46</b>	<b>42.56</b>
<b>Less: Closing Stock /WIP</b>	<b>30.96</b>	<b>34.69</b>	<b>38.46</b>	<b>42.56</b>	<b>47.01</b>
Cost of Sales	201.26	256.46	284.71	315.12	348.11
<b>GROSS PROFIT</b>	<b>32.74</b>	<b>43.42</b>	<b>50.01</b>	<b>57.17</b>	<b>64.67</b>
	<b>13.99%</b>	<b>14.48%</b>	<b>14.94%</b>	<b>15.36%</b>	<b>15.67%</b>
Salary to Staff	7.56	8.32	9.15	10.06	11.07
Interest on Term Loan	3.26	2.87	2.06	1.25	0.44
Interest on working Capital	4.00	4.00	4.00	4.00	4.00

Rent	4.20	4.62	5.08	5.59	6.15
selling & adm exp	4.68	9.00	10.04	11.17	12.38
<b>TOTAL</b>	<b>23.70</b>	<b>28.80</b>	<b>30.33</b>	<b>32.07</b>	<b>34.04</b>
NET PROFIT	9.05	14.61	19.68	25.10	30.63
	<b>3.87%</b>	<b>4.87%</b>	<b>5.88%</b>	<b>6.74%</b>	<b>7.42%</b>
Taxation	0.20	1.59	3.21	4.89	6.61
PROFIT (After Tax)	8.84	13.02	16.47	20.21	24.03

## 5.6 Production and Yield

<b>COMPUTATION OF PRODUCTION OF JAGGERY POWDER</b>	
<b>Items to be Manufactured</b>	
Jaggery Powder	
Machine Production capacity per Hour	0.6 tonnes
Working hours in a day	8
Production Per Day	5
No of Working Days in Month	25
No of Working Days in a Year	150
Machine capacity per annum	750 tonnes

<b>Production of Jaggery Powder</b>		
<b>Production</b>	<b>Capacity</b>	<b>Tonnes</b>
1st year	75%	563
2nd year	80%	600
3rd year	85%	638
4th year	90%	675
5th year	95%	713

<b>Raw Material Cost</b>			
<b>Year</b>	<b>Capacity Utilisation</b>	<b>Rate (per tonnes)</b>	<b>Amount (Rs. in lacs)</b>
1st year	75%	35,933.00	202.12
2nd year	80%	37,730.00	226.38
3rd year	85%	39,617.00	252.56
4th year	90%	41,598.00	280.79
5th year	95%	43,678.00	311.21

## 5.7 Sales Revenue

<b><u>COMPUTATION OF SALE</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>
Op Stock	-	75	80	85	90
Production	563	600	638	675	713
Less : Closing Stock	75	80	85	90	95
<b>Net Sale</b>	<b>488</b>	<b>595</b>	<b>633</b>	<b>670</b>	<b>708</b>
sale price per tonne	48,000.00	50,400.00	52,920.00	55,566.00	58,344.00
<b>Sales (in Lacs)</b>	<b>234.00</b>	<b>299.88</b>	<b>334.72</b>	<b>372.29</b>	<b>412.78</b>

## 5.8 Working Capital Assessment

(in Lacs)					
<b>COMPUTATION OF CLOSING STOCK &amp; WORKING CAPITAL</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>Finished Goods</u></b>					
	30.96	34.69	38.46	42.56	47.01
<b><u>Raw Material</u></b>					
	14.37	16.10	17.96	19.97	22.13
<b>Closing Stock</b>	<b>45.34</b>	<b>50.79</b>	<b>56.42</b>	<b>62.53</b>	<b>69.14</b>

<b><u>COMPUTATION OF WORKING CAPITAL REQUIREMENT</u></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	45.34				
Less : Creditors	6.29				
<b>Paid stock</b>	<b>39.05</b>	<b>25%</b>	<b>9.76</b>	<b>75%</b>	<b>29.29</b>
<b>Sundry Debtors</b>	<b>15.60</b>	<b>25%</b>	<b>3.90</b>	<b>75%</b>	<b>11.70</b>
	<b>54.65</b>		<b>13.66</b>		<b>40.99</b>
<b>WORKING CAPITAL LIMIT DEMAND ( from Bank)</b>					
<b>40.00</b>					

## 5.9 Power, Salary & Wages Calculation

<b>Utility Charges (per month)</b>		
<b>Particulars</b>	<b>value</b>	<b>Description</b>
Power connection required	30	KWH
consumption per day	240	units
Consumption per month	6,000	units
Rate per Unit	10	Rs.
power Bill per month	60,000	Rs.

<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>
General Engineer	35,000	1	35,000
Supervisor	20,000	1	20,000
Skilled (in thousand rupees)	15,000	2	30,000
Unskilled (in thousand rupees)	9,000	3	27,000
<b>Total salary per month</b>			<b>112,000</b>
<b>Total annual labour charges</b>	<b>(in lacs)</b>		<b>13.44</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>
Accountant	15,000	1	15,000
Administrative Staffs	12,000	4	48,000
<b>Total salary per month</b>			<b>63,000</b>
<b>Total annual Staff charges</b>	<b>(in lacs)</b>		<b>7.56</b>

## 5.10 Depreciation

<b>COMPUTATION OF DEPRECIATION</b>			(in Lacs)
<b>Description</b>	<b>Plant &amp; Machinery</b>	<b>Furniture</b>	<b>TOTAL</b>
Rate of Depreciation	<b>15.00%</b>	<b>10.00%</b>	
<b>Opening Balance</b>	-	-	-
Addition	43.10	1.10	44.20
Total	43.10	1.10	44.20
Less : Depreciation	6.47	0.11	6.58
<b>WDV at end of Year</b>	<b>36.64</b>	<b>0.99</b>	<b>37.63</b>
Additions During The Year	-	-	-
Total	36.64	0.99	37.63
Less : Depreciation	5.50	0.10	5.59
<b>WDV at end of Year</b>	<b>31.14</b>	<b>0.89</b>	<b>32.03</b>
Additions During The Year	-	-	-
Total	31.14	0.89	32.03
Less : Depreciation	4.67	0.09	4.76
<b>WDV at end of Year</b>	<b>26.47</b>	<b>0.80</b>	<b>27.27</b>
Additions During The Year	-	-	-
Total	26.47	0.80	27.27
Less : Depreciation	3.97	0.08	4.05
<b>WDV at end of Year</b>	<b>22.50</b>	<b>0.72</b>	<b>23.22</b>
Additions During The Year	-	-	-
Total	22.50	0.72	23.22
Less : Depreciation	3.37	0.07	3.45
<b>WDV at end of Year</b>	<b>19.12</b>	<b>0.65</b>	<b>19.77</b>



## 5.11 Repayment 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	-	33.15	33.15	-	-	33.15	
	2nd month	33.15	-	33.15	0.30	-	33.15	
	3rd month	33.15	-	33.15	0.30	-	33.15	
	4th month	33.15	-	33.15	0.30	-	33.15	
	5th month	33.15	-	33.15	0.30	-	33.15	
	6th month	33.15	-	33.15	0.30	-	33.15	
	7th month	33.15	-	33.15	0.30	0.61	32.54	
	8th month	32.54	-	32.54	0.30	0.61	31.92	
	9th month	31.92	-	31.92	0.29	0.61	31.31	
	10th month	31.31	-	31.31	0.29	0.61	30.69	
	11th month	30.69	-	30.69	0.28	0.61	30.08	
	12th month	30.08	-	30.08	0.28	0.61	29.47	
					<b>3.26</b>	<b>3.68</b>		
<b>2nd</b>	Opening Balance							
	1st month	29.47	-	29.47	0.27	0.61	28.85	
	2nd month	28.85	-	28.85	0.26	0.61	28.24	
	3rd month	28.24	-	28.24	0.26	0.61	27.63	
	4th month	27.63	-	27.63	0.25	0.61	27.01	
	5th month	27.01	-	27.01	0.25	0.61	26.40	
	6th month	26.40	-	26.40	0.24	0.61	25.78	
	7th month	25.78	-	25.78	0.24	0.61	25.17	
	8th month	25.17	-	25.17	0.23	0.61	24.56	
	9th month	24.56	-	24.56	0.23	0.61	23.94	
	10th month	23.94	-	23.94	0.22	0.61	23.33	
	11th month	23.33	-	23.33	0.21	0.61	22.71	
	12th month	22.71	-	22.71	0.21	0.61	22.10	
					<b>2.87</b>	<b>7.37</b>		
<b>3rd</b>	Opening Balance							
	1st month	22.10	-	22.10	0.20	0.61	21.49	
	2nd month	21.49	-	21.49	0.20	0.61	20.87	
	3rd month	20.87	-	20.87	0.19	0.61	20.26	
	4th month	20.26	-	20.26	0.19	0.61	19.64	
	5th month	19.64	-	19.64	0.18	0.61	19.03	
	6th month	19.03	-	19.03	0.17	0.61	18.42	

	7th month	18.42	-	18.42	0.17	0.61	17.80
	8th month	17.80	-	17.80	0.16	0.61	17.19
	9th month	17.19	-	17.19	0.16	0.61	16.58
	10th month	16.58	-	16.58	0.15	0.61	15.96
	11th month	15.96	-	15.96	0.15	0.61	15.35
	12th month	15.35	-	15.35	0.14	0.61	14.73
					<b>2.06</b>	<b>7.37</b>	
<b>4th</b>	Opening Balance						
	1st month	14.73	-	14.73	0.14	0.61	14.12
	2nd month	14.12	-	14.12	0.13	0.61	13.51
	3rd month	13.51	-	13.51	0.12	0.61	12.89
	4th month	12.89	-	12.89	0.12	0.61	12.28
	5th month	12.28	-	12.28	0.11	0.61	11.66
	6th month	11.66	-	11.66	0.11	0.61	11.05
	7th month	11.05	-	11.05	0.10	0.61	10.44
	8th month	10.44	-	10.44	0.10	0.61	9.82
	9th month	9.82	-	9.82	0.09	0.61	9.21
	10th month	9.21	-	9.21	0.08	0.61	8.59
	11th month	8.59	-	8.59	0.08	0.61	7.98
	12th month	7.98	-	7.98	0.07	0.61	7.37
					<b>1.25</b>	<b>7.37</b>	
<b>5th</b>	Opening Balance						
	1st month	7.37	-	7.37	0.07	0.61	6.75
	2nd month	6.75	-	6.75	0.06	0.61	6.14
	3rd month	6.14	-	6.14	0.06	0.61	5.52
	4th month	5.52	-	5.52	0.05	0.61	4.91
	5th month	4.91	-	4.91	0.05	0.61	4.30
	6th month	4.30	-	4.30	0.04	0.61	3.68
	7th month	3.68	-	3.68	0.03	0.61	3.07
	8th month	3.07	-	3.07	0.03	0.61	2.46
	9th month	2.46	-	2.46	0.02	0.61	1.84
	10th month	1.84	-	1.84	0.02	0.61	1.23
	11th month	1.23	-	1.23	0.01	0.61	0.61
	12th month	0.61	-	0.61	0.01	0.61	-
					<b>0.44</b>	<b>7.37</b>	
	DOOR TO DOOR	60	MONTHS				
	MORATORIUM PERIOD	6	MONTHS				
	REPAYMENT PERIOD	54	MONTHS				

## 5.12 Financial Ratio Analysis

<b>FINANCIAL INDICATORS</b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
TURNOVER	234.00	299.88	334.72	372.29	412.78
GROSS PROFIT	32.74	43.42	50.01	57.17	64.67
<b>G.P. RATIO</b>	<b>13.99%</b>	<b>14.48%</b>	<b>14.94%</b>	<b>15.36%</b>	<b>15.67%</b>
NET PROFIT	9.05	14.61	19.68	25.10	30.63
<b>N.P. RATIO</b>	<b>3.87%</b>	<b>4.87%</b>	<b>5.88%</b>	<b>6.74%</b>	<b>7.42%</b>
CURRENT ASSETS	66.71	72.78	80.54	90.41	99.59
CURRENT LIABILITIES	46.64	47.46	48.36	49.34	50.41
<b>CURRENT RATIO</b>	<b>1.43</b>	<b>1.53</b>	<b>1.67</b>	<b>1.83</b>	<b>1.98</b>
TERM LOAN	29.47	22.10	14.73	7.37	-
TOTAL NET WORTH	28.23	35.25	44.72	56.93	68.95
<b>DEBT/EQUITY</b>	<b>1.04</b>	<b>0.63</b>	<b>0.33</b>	<b>0.13</b>	<b>-</b>
TOTAL NET WORTH	28.23	35.25	44.72	56.93	68.95
TOTAL OUTSIDE LIABILITIES	76.10	69.56	63.09	56.71	50.41
<b>TOL/TNW</b>	<b>2.70</b>	<b>1.97</b>	<b>1.41</b>	<b>1.00</b>	<b>0.73</b>
PBDIT	22.88	27.08	30.50	34.40	38.52
INTEREST	7.26	6.87	6.06	5.25	4.44
<b>INTEREST COVERAGE RATIO</b>	<b>3.15</b>	<b>3.94</b>	<b>5.03</b>	<b>6.55</b>	<b>8.68</b>
WDV	37.63	32.03	27.27	23.22	19.77
TERM LOAN	29.47	22.10	14.73	7.37	-
<b>FACR</b>	<b>1.28</b>	<b>1.45</b>	<b>1.85</b>	<b>3.15</b>	<b>-</b>

### 5.13 DSCR

<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	15.42	18.62	21.23	24.26	27.47
Interest on Term Loan	3.26	2.87	2.06	1.25	0.44
<b>Total</b>	<b>18.68</b>	<b>21.49</b>	<b>23.29</b>	<b>25.51</b>	<b>27.91</b>
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	3.68	7.37	7.37	7.37	7.37
Interest on Term Loan	3.26	2.87	2.06	1.25	0.44
<b>Total</b>	<b>6.94</b>	<b>10.24</b>	<b>9.43</b>	<b>8.62</b>	<b>7.81</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.69</b>	<b>2.10</b>	<b>2.47</b>	<b>2.96</b>	<b>3.58</b>
<b>AVERAGE D.S.C.R.</b>	<b>2.72</b>				

### 5.14 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>	234.00	299.88	334.72	372.29	412.78
Less : Op. WIP Goods	-	30.96	34.69	38.46	42.56
Add : Cl. WIP Goods	30.96	34.69	38.46	42.56	47.01

<b>Total Sales</b>	<b>264.96</b>	<b>303.61</b>	<b>338.49</b>	<b>376.39</b>	<b>417.23</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material Consumed	202.12	226.38	252.56	280.79	311.21
Electricity Exp/Coal Consumption at 85%	4.59	5.05	5.55	6.11	6.72
Wages & Salary at 60%	12.60	13.86	15.25	16.77	18.45
Selling & administrative Expenses 80%	3.74	7.20	8.03	8.94	9.91
Interest on working Capital	4.00	4.00	4.00	4.00	4.00
Repair & maintenance	4.68	7.50	8.37	9.31	10.32
<b>Total Variable &amp; Semi Variable Exp</b>	<b>231.74</b>	<b>263.98</b>	<b>293.76</b>	<b>325.91</b>	<b>360.60</b>
<b>Contribution</b>	<b>33.23</b>	<b>39.63</b>	<b>44.73</b>	<b>50.48</b>	<b>56.63</b>
<b>Fixed &amp; Semi Fixed Expenses</b>					
Electricity Exp/Coal Consumption at 15%	0.81	0.89	0.98	1.08	1.19
Wages & Salary at 40%	8.40	9.24	10.16	11.18	12.30
Interest on Term Loan	3.26	2.87	2.06	1.25	0.44
Depreciation	6.58	5.59	4.76	4.05	3.45
Selling & administrative Expenses 20%	0.94	1.80	2.01	2.23	2.48
Rent	4.20	4.62	5.08	5.59	6.15
<b>Total Fixed Expenses</b>	<b>24.18</b>	<b>25.01</b>	<b>25.05</b>	<b>25.38</b>	<b>26.00</b>
<b>Capacity Utilization</b>	<b>75%</b>	<b>80%</b>	<b>85%</b>	<b>90%</b>	<b>95%</b>
<b>OPERATING PROFIT</b>	<b>9.05</b>	<b>14.61</b>	<b>19.68</b>	<b>25.10</b>	<b>30.63</b>
<b>BREAK EVEN POINT</b>	<b>55%</b>	<b>50%</b>	<b>48%</b>	<b>45%</b>	<b>44%</b>
<b>BREAK EVEN SALES</b>	<b>192.82</b>	<b>191.65</b>	<b>189.59</b>	<b>189.25</b>	<b>191.53</b>

## **6. LICENSE & APPROVALS**

- Obtain the GST registration.
- Additionally, obtain the UDYAM registration Number.
- Fire/pollution license as required.
- FSSAI License
- Factory License
- Choice of a Brand Name of the product and secure the name with Trademark if required.

## **7. ASSUMPTIONS**

1. Production Capacity of Jaggery Cube is 5 tons per day. First year, Capacity has been taken @ 75%. Production shall be during 6 months during the month of October to March.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock is for 15 days and Finished goods Closing Stock has been taken for 45 days.
4. Credit period to Sundry Debtors has been given for 14 days.
5. Credit period by the Sundry Creditors has been provided for 14 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 30 KW.
10. Working of Sales has been assumed for 9 Months period and production will be during the 6 months during the year.

## **Limitations of the Model DPR and Guidelines for Entrepreneurs**

### **Limitations of the Model DPR**

- i. This model DPR has provided only the basic standard components and methodology to be adopted by an entrepreneur while submitting a proposal under the Formalization of Micro Food Processing Enterprises Scheme of MoFPI.
- ii. This is a model DPR made to provide general methodological structure not for specific entrepreneur/crops/location. Therefore, information on the entrepreneur, forms and structure (proprietorship/partnership/cooperative/ FPC/joint stock company) of his business, details of proposed DPR, project location, raw material base/contract sourcing, entrepreneurs own SWOT analysis, detailed market research, rationale of the project for specific location, community advantage/benefit from the project, employment generation and many more detailed aspects not included.
- iii. The present DPR is based on certain assumptions on cost, prices, interest, capacity utilization, output recovery rate and so on. However, these assumptions in reality may vary across places, markets and situations; thus the resultant calculations will also change accordingly.