

PM Formalisation of Micro Food Processing Enterprises Scheme

DETAILED PROJECT REPORT FOR MIZO CHILLI PICKLE PROCESSING UNIT



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1. PROJECT SUMMARY

1. Name of the proposed project	:	Mizo Chilli Pickle Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	114000 Kg/annum (40,45,50,55&60% capacity utilization in 1 st to 5 th Year respectively)
4. Raw material	:	Salt, Edible Oil, Mix Spices and other preservatives.
5. Major product outputs	:	Mizo Chilli Pickle
6. Total project cost	:	Rs. 21.81 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 14.00 Lakh
• Miscellaneous Fixed Assets	:	Rs. 2.80 Lakh
• Working capital	:	Rs. 5.01 Lakh
7. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 5.88 Lakh
• Promoter's contribution (min10%)	:	Rs. 2.17 Lakh
• Term loan	:	Rs. 9.24 Lakh
• Working Capital Requirement	:	Rs. 4.51 Lakh
8. Profit after Depreciation, Interest & Tax		
• 1 st year	:	Rs. 1.68 Lakh
• 2 nd year	:	Rs. 3.98 Lakh
• 3 rd year	:	Rs. 6.39 Lakh
• 4 th year	:	Rs. 8.99 Lakh
• 5 th year	:	Rs. 11.43 Lakh
9. Average DSCR	:	Rs. 3.68
10. Term loan repayment	:	5 Years with 6 months grace period

2. ABOUT THE PRODUCT

PRODUCT INTRODUCTION:

Due to its unique climatic, topographic, and cultivation characteristics, the state of Mizoram is endowed with a number of high-quality crop varieties that are unique to Mizoram. The Mizo Chilli, also known as Mizoram Bird's Eye Chilli, is of exceptional quality and is in high demand on both the national and international markets. Pickling is a process to preserve raw fruits & vegetables for longer time. The variety and potential for Mizoram Bird's Eye Chilli / Mizo chilli expansion is immense, but transportation, manufacturing, and marketing problems must be addressed. In Mizoram, the Mizo chilli is one of the most common and widely grown vegetables and spices. It is used to make spicy relative, pickles, chutneys, and hot sauces to be eaten with noodles, and it is in high demand in neighbouring states and countries such as China, Thailand, Vietnam, and Bangladesh, so the bulk of the produce is exported. Mizo Chilli cultivation can be found in the state of Mizoram. Mizoram has eight districts where three distinct varieties/quality levels of Mizo Chilli are grown. All of these types are assumed to be the same, with the exception of consistency variations. The bird eye red chili popularly known as Mizo chili is known for its pungent taste and smell used to make pickles which is widely consumed in India as well its neighbouring countries.

MARKET POTENTIAL:

Mizoram is a major producer of Mizo Chilli, despite the fact that other types of chilli are almost non-existent. Other chilli varieties are smuggled into Mizoram from the neighbouring states of Manipur and Assam. Mizoram has immense capacity for large-scale development with proper market links, and every year, at least 20,000 tonnes are shipped to Bangladesh and neighbouring

states by unlicensed traders. There has been a steady rise in the amount of product due to constant efforts for Agriculture and Horticulture production in Mizoram, with a particular emphasis of the government on Mizo chilli.

In India several people are in the habit of devouring pickles for breakfast, lunch and dinner, as they need that kick of spices and flavour with each and every meal. Pickles, which are prepared by local people using local products, are mostly liked by the consumers. Homemade pickles are good in taste, but it takes prolonged time to prepare & require good sunlight also. The global pickles market reached a value of US\$ 10.6 Billion in 2019. Many companies are preparing pickles by using organic raw materials & without adding any chemical preservatives. But the shelf life of organic pickles is less, which works as a hurdle to market growth. The global market demand for different pickles including mizo chilli pickle is growing extensively. Now days the distribution channel is highly improved and active. The market has been segmented into supermarkets & hypermarkets, convenience stores, independent retailers, online & others.

RAW MATERIAL DESCRIPTION:

The main raw material for this industry is Mizo Chili.

- Salt: Normal refined white salt is used in chilli pickle. Salt is available easily in local grocery stores.
- Oil: Different edible oils are mainly used in pickle processing. Mustard oil is most preferable oil for pickle processing. Mustard oil is available in local grocery stores or in online platforms also.
- Spices: Different spices like mustard seeds, mustard paste/powder, cumin seeds, coriander seeds, fenugreek seeds, fennel seeds etc. are used according to the variety of taste.
- Preservatives and spices are required for making Quality Pickles.

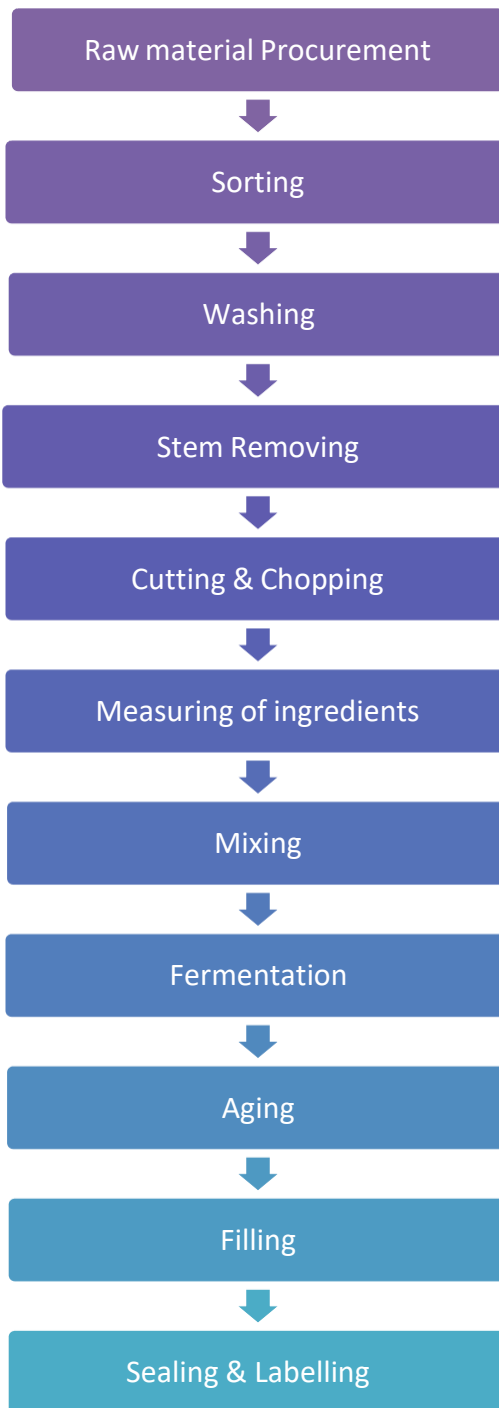
S.N.	Particulars	Rate (Approx.)
1	Salt	Rs. 10-12/kg
2	Edible Oil	Rs. 90-110/Ltr.
3	Mix Spices	Rs. 150-180/kg
4	Mizo Chilli	Rs. 90-120/kg

Average raw material cost per 1 kg packet: Rs. 120-150

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. Mizo Chili should be matured & firm. Medium sized Mizo Chili are preferable. Damaged, infected or spoiled products need to be avoided.
- **Sorting:** Next received Mizo Chili should be sorted. Manual sorting can be done for this. Spoiled and damaged products should be separated from the good one. Immature or ripened chilies also need to be separated. Only matured Mizo Chili will be taken for further processing.
- **Washing:** Next the Mizo Chili should be washed properly under running water. After washing the excess water should be drained out.
- **Stem Removing:** The stems of Mizo Chili should be removed. This is a manual process.

- **Cutting & Chopping:** The chilies should be cut into small pieces. Cutting & chopping of Mizo Chili can be done manually or mechanically. If manually, stainless steel knives should be used. Proper personal hygiene should be maintained during processing of pickle. The people, involved in cutting & chopping of Mizo Chili should use sanitizer & use gloves.
- **Measuring of Ingredients:** Ingredients like spices, salt and oil needed to be measured carefully. The measured ingredients need to keep separately to use in next step.
- **Mixing:** Mixing can be done manually & mechanically. Pre-measured salt, oil, spices need to be added with the chopped Mizo Chili & mixed properly. For mixing stainless steel mixer kettle need to be used.
- **Fermentation:** Next the mixture should be kept in a covered vessel. Mustard oil/ other vegetable oil needs to be added from the top & keep it covered for at least 72 hours.
- **Aging:** In order to enhance the product taste & quality the pickles are usually aged for few months prior to sale.
- **Filling:** Now the pickle is ready to consume. Next filling & weighing should be done. It should be filled in plastic jars.
- **Sealing & Labeling:** Next step is sealing. After sealing labelling should be done. The label contents should be checked previously. Semi-automatic/ hand sealing machine can be used for sealing.



4. ECONOMICS OF THE PROJECT

BASIS & PRESUMPTIONS

1. Production Capacity of Mizo Chilli Pickle 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 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 12 KW.
10. Increase in sales and raw material costing has been taken @ 5% on a yearly basis.

CAPACITY, UTILIZATION, PRODUCTION & OUTPUT

<u>COMPUTATION OF PRODUCTION OF MIZO CHILLI PICKLE</u>		
Items to be Manufactured		
Mizo Chilli Pickle		
Machine capacity Per hour	50	Kg
Total working Hours	8	
Machine capacity Per Day	400	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	5%	
Raw material requirement	120000	Kg
Final Output per annum after wastage	114000	Kg
Final Product to be packed in 1 kg Packet		
Number of Packets per annum	114000	1 Kg Packet

Production of Mizo Chilli Pickle		
Production	Capacity	KG
1st year	40%	45,600
2nd year	45%	51,300
3rd year	50%	57,000
4th year	55%	62,700
5th year	60%	68,400

Raw Material Cost			
Year	Capacity Utilisation	Rate (per Kg)	Amount (Rs. in lacs)
1st year	40%	120.00	57.60
2nd year	45%	126.00	68.04
3rd year	50%	132.00	79.20
4th year	55%	139.00	91.74
5th year	60%	146.00	105.12



COMPUTATION OF SALE					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	1,064	1,197	1,330	1,463
Production	45,600	51,300	57,000	62,700	68,400
Less : Closing Stock	1,064	1,197	1,330	1,463	1,596
Net Sale	44,536	51,167	56,867	62,567	68,267
Sale price per packet	210.00	221.00	232.00	244.00	256.00
Sales (in Lacs)	93.53	113.08	131.93	152.66	174.76

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.
Tumbler type vegetable & fruit washing machine	These machines are used to wash the small fruits & vegetables thoroughly, to remove any dirt, dried juice etc.	
Gravity Separator	These machines are used to sort the given material based on their weight; they can be employed as separators as well as graders.	
Vegetable Slicing Machine	These machines are used to chop given vegetables in required shape & size as per requirement.	
Kettle Mixer	These machines are used to mix given ingredients in required quantity to obtain desired product.	
Pickle Filling	These machines are used to fill the	

Machine	given product in required quantity within the given container.	
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.	

Machine	Unit	Rate	Price
Tumbler type vegetable & fruit washing machine	1	380000	380000
Gravity Separator	1	400000	400000
Vegetable Slicing Machine	1	120000	120000
Kettle Mixer	1	80000	80000
Pickle Filling 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 14.00 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	14.00
Miscellaneous Assets	2.80
Working capital	5.01
Total	21.81

MEANS OF FINANCE

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution (min 10%)	2.17
Subsidy @35%(Max. Rs 10 Lac)	5.88
Term Loan @ 55%	9.24
Working Capital (Bank Finance)	4.51
Total	21.81

TERM LOAN: Term loan of Rs. 9.24 Lakh is required for project cost of Rs. 21.81 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	-	9.24	9.24	-	-	9.24
	2nd month	9.24	-	9.24	0.08	-	9.24
	3rd month	9.24	-	9.24	0.08	-	9.24
	4th month	9.24	-	9.24	0.08		9.24
	5th month	9.24	-	9.24	0.08		9.24
	6th month	9.24	-	9.24	0.08		9.24
	7th month	9.24	-	9.24	0.08	0.17	9.07
	8th month	9.07	-	9.07	0.08	0.17	8.90
	9th month	8.90	-	8.90	0.08	0.17	8.73
	10th month	8.73	-	8.73	0.08	0.17	8.56
	11th month	8.56	-	8.56	0.08	0.17	8.38
	12th month	8.38	-	8.38	0.08	0.17	8.21
					0.91	1.03	
2nd	Opening Balance						
	1st month	8.21	-	8.21	0.08	0.17	8.04
	2nd month	8.04	-	8.04	0.07	0.17	7.87
	3rd month	7.87	-	7.87	0.07	0.17	7.70
	4th month	7.70	-	7.70	0.07	0.17	7.53

	5th month	7.53	-	7.53	0.07	0.17	7.36
	6th month	7.36	-	7.36	0.07	0.17	7.19
	7th month	7.19	-	7.19	0.07	0.17	7.02
	8th month	7.02	-	7.02	0.06	0.17	6.84
	9th month	6.84	-	6.84	0.06	0.17	6.67
	10th month	6.67	-	6.67	0.06	0.17	6.50
	11th month	6.50	-	6.50	0.06	0.17	6.33
	12th month	6.33	-	6.33	0.06	0.17	6.16
					0.80	2.05	
3rd	Opening Balance						
	1st month	6.16	-	6.16	0.06	0.17	5.99
	2nd month	5.99	-	5.99	0.05	0.17	5.82
	3rd month	5.82	-	5.82	0.05	0.17	5.65
	4th month	5.65	-	5.65	0.05	0.17	5.48
	5th month	5.48	-	5.48	0.05	0.17	5.30
	6th month	5.30	-	5.30	0.05	0.17	5.13
	7th month	5.13	-	5.13	0.05	0.17	4.96
	8th month	4.96	-	4.96	0.05	0.17	4.79
	9th month	4.79	-	4.79	0.04	0.17	4.62
	10th month	4.62	-	4.62	0.04	0.17	4.45
	11th month	4.45	-	4.45	0.04	0.17	4.28
	12th month	4.28	-	4.28	0.04	0.17	4.11
					0.57	2.05	
4th	Opening Balance						
	1st month	4.11	-		0.04	0.17	3.94

				4.11			
2nd month	3.94	-	3.94	0.04	0.17	3.76	
3rd month	3.76	-	3.76	0.03	0.17	3.59	
4th month	3.59	-	3.59	0.03	0.17	3.42	
5th month	3.42	-	3.42	0.03	0.17	3.25	
6th month	3.25	-	3.25	0.03	0.17	3.08	
7th month	3.08	-	3.08	0.03	0.17	2.91	
8th month	2.91	-	2.91	0.03	0.17	2.74	
9th month	2.74	-	2.74	0.03	0.17	2.57	
10th month	2.57	-	2.57	0.02	0.17	2.40	
11th month	2.40	-	2.40	0.02	0.17	2.22	
12th month	2.22	-	2.22	0.02	0.17	2.05	
				0.35	2.05		
5th	Opening Balance						
1st month	2.05	-	2.05	0.02	0.17	1.88	
2nd month	1.88	-	1.88	0.02	0.17	1.71	
3rd month	1.71	-	1.71	0.02	0.17	1.54	
4th month	1.54	-	1.54	0.01	0.17	1.37	
5th month	1.37	-	1.37	0.01	0.17	1.20	
6th month	1.20	-	1.20	0.01	0.17	1.03	
7th month	1.03	-	1.03	0.01	0.17	0.86	
8th month	0.86	-	0.86	0.01	0.17	0.68	
9th month	0.68	-	0.68	0.01	0.17	0.51	
10th month	0.51	-	0.51	0.00	0.17	0.34	
11th month	0.34	-		0.00	0.17	0.17	

			0.34			
12th month	0.17	-	0.17	0.00	0.17	-
				0.12	2.05	
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>					
	1.90	2.21	2.54	2.91	3.29
<u>Raw Material</u>					
	1.34	1.59	1.85	2.14	2.45
Closing Stock	3.24	3.80	4.39	5.05	5.74

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					(in Lacs)
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	3.24				
Less : Creditors	1.34				
Paid stock	1.90	10%	0.19	90%	1.71
Sundry Debtors	3.12	10%	0.31	90%	2.81
	5.01		0.50		4.51
MPBF					4.51
WORKING CAPITAL LIMIT DEMAND (from Bank)					4.51
Working Capital Margin					0.50

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	18,000	1	18,000
Skilled (in thousand rupees)	12,000	3	36,000
Unskilled (in thousand rupees)	8,500	4	34,000
Total salary per month			1,18,000
Total annual labour charges	(in lacs)		14.16

<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	12	KWH
consumption per day	96	units
Consumption per month	2,400	units
Rate per Unit	10	Rs.
power Bill per month	24,000	Rs.

DEPRECIATION CALCULATION

COMPUTATION OF DEPRECIATION			(in Lacs)
Description	Plant & Machinery	Miss. Assets	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	14.00	2.80	16.80
Total	14.00	2.80	16.80
Less : Depreciation	2.10	0.28	2.38
WDV at end of Year	11.90	2.52	14.42
Additions During The Year	-	-	-
Total	11.90	2.52	14.42
Less : Depreciation	1.79	0.25	2.04
WDV at end of Year	10.12	2.27	12.38
Additions During The Year	-	-	-
Total	10.12	2.27	12.38
Less : Depreciation	1.52	0.23	1.74
WDV at end of Year	8.60	2.04	10.64
Additions During The Year	-	-	-
Total	8.60	2.04	10.64
Less : Depreciation	1.29	0.20	1.49
WDV at end of Year	7.31	1.84	9.15
Additions During The Year	-	-	-
Total	7.31	1.84	9.15
Less : Depreciation	1.10	0.18	1.28
WDV at end of Year	6.21	1.65	7.87

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

PROJECTIONS OF PROFITABILITY ANALYSIS

<u>PROJECTED PROFITABILITY STATEMENT</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	40%	45%	50%	55%	60%
<u>SALES</u>					
Gross Sale					
Mizo Chilli Pickle	93.53	113.08	131.93	152.66	174.76
Total	93.53	113.08	131.93	152.66	174.76
<u>COST OF SALES</u>					
Raw Material Consumed	57.60	68.04	79.20	91.74	105.12
Electricity Expenses	2.88	3.31	3.81	4.38	4.82
Depreciation	2.38	2.04	1.74	1.49	1.28
Wages & labour	14.16	16.43	18.07	20.24	21.86
Repair & maintenance	2.34	2.83	3.30	3.82	4.37
Packaging	1.87	2.26	2.64	3.05	3.50
Cost of Production	81.23	94.90	108.76	124.72	140.94
Add: Opening Stock /WIP	-	1.90	2.21	2.54	2.91
Less: Closing Stock /WIP	1.90	2.21	2.54	2.91	3.29
Cost of Sales	79.33	94.58	108.43	124.35	140.56
GROSS PROFIT	14.19	18.49	23.50	28.32	34.20
	15.17%	16.36%	17.81%	18.55%	19.57%
Salary to Staff	5.64	6.77	8.26	9.08	10.90
Interest on Term Loan	0.91	0.80	0.57	0.35	0.12
Interest on working Capital	0.50	0.50	0.50	0.50	0.50
Rent	3.60	3.96	4.36	4.79	5.27
selling & adm exp	1.87	2.49	2.90	3.43	3.70
TOTAL	12.51	14.51	16.59	18.15	20.49
NET PROFIT	1.68	3.98	6.91	10.16	13.71
	1.79%	3.52%	5.24%	6.66%	7.85%
Taxation	-	-	0.52	1.18	2.28
PROFIT (After Tax)	1.68	3.98	6.39	8.99	11.43

BREAK EVEN POINT ANALYSIS

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	93.53	113.08	131.93	152.66	174.76
Less : Op. WIP Goods	-	1.90	2.21	2.54	2.91
Add : Cl. WIP Goods	1.90	2.21	2.54	2.91	3.29
Total Sales	95.42	113.40	132.25	153.04	175.14
Variable & Semi Variable Exp.					
Raw Material Consumed	57.60	68.04	79.20	91.74	105.12
Electricity Exp/Coal Consumption at 85%	2.45	2.82	3.24	3.72	4.10
Wages & Salary at 60%	11.88	13.92	15.80	17.59	19.65
Selling & administrative Expenses 80%	1.50	1.99	2.32	2.75	2.96
Interest on working Capital	0.496273	0.496273	0.496273	0.496273	0.496273
Repair & maintenance	2.34	2.83	3.30	3.82	4.37
Packaging	1.87	2.26	2.64	3.05	3.50
Total Variable & Semi Variable Exp	78.13	92.35	106.99	123.17	140.19
Contribution	17.29	21.05	25.27	29.87	34.95
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.43	0.50	0.57	0.66	0.72
Wages & Salary at 40%	7.92	9.28	10.53	11.73	13.10
Interest on Term Loan	0.91	0.80	0.57	0.35	0.12
Depreciation	2.38	2.04	1.74	1.49	1.28
Selling & administrative Expenses 20%	0.37	0.50	0.58	0.69	0.74
Rent	3.60	3.96	4.36	4.79	5.27
Total Fixed Expenses	15.61	17.07	18.36	19.71	21.24
Capacity Utilization	40%	45%	50%	55%	60%
OPERATING PROFIT	1.68	3.98	6.91	10.16	13.71
BREAK EVEN POINT	36%	36%	36%	36%	36%
BREAK EVEN SALES	86.16	91.94	96.08	100.97	106.43

PROJECTED BALANCE SHEET

<u>PROJECTED BALANCE SHEET</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening balance		7.23	8.21	9.60	11.59
Add:- Own Capital	2.17				
Add:- Retained Profit	1.68	3.98	6.39	8.99	11.43
Less:- Drawings	2.50	3.00	5.00	7.00	9.00
Subsidy/grant	5.88				
Closing Balance	7.23	8.21	9.60	11.59	14.01
Term Loan	8.21	6.16	4.11	2.05	-
Working Capital Limit	4.51	4.51	4.51	4.51	4.51
Sundry Creditors	1.34	1.59	1.85	2.14	2.45
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86
TOTAL :	21.70	20.97	20.67	21.01	21.84
<u>Assets</u>					
Fixed Assets (Gross)	16.80	16.80	16.80	16.80	16.80
Gross Dep.	2.38	4.42	6.16	7.65	8.93
Net Fixed Assets	14.42	12.38	10.64	9.15	7.87
Current Assets					
Sundry Debtors	3.12	3.77	4.40	5.09	5.83
Stock in Hand	3.24	3.80	4.39	5.05	5.74
Cash and Bank	0.92	1.02	1.24	1.73	2.41
TOTAL :	21.70	20.97	20.67	21.01	21.84

CASH FLOW STATEMENT

<u>PROJECTED CASH FLOW STATEMENT</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	2.17				
Net Profit	1.68	3.98	6.91	10.16	13.71
Depreciation & Exp. W/off	2.38	2.04	1.74	1.49	1.28
Increase in Cash Credit	4.51	-	-	-	-
Increase In Term Loan	9.24	-	-	-	-
Increase in Creditors	1.34	0.24	0.26	0.29	0.31
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	5.88				
TOTAL :	27.60	6.36	9.02	12.07	15.45
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	16.80				
Increase in Stock	3.24	0.56	0.58	0.67	0.69
Increase in Debtors	3.12	0.65	0.63	0.69	0.74
Repayment of Term Loan	1.03	2.05	2.05	2.05	2.05
Drawings	2.50	3.00	5.00	7.00	9.00
Taxation	-	-	0.52	1.18	2.28
TOTAL :	26.68	6.27	8.79	11.59	14.76
Opening Cash & Bank Balance	-	0.92	1.02	1.24	1.73
Add : Surplus	0.92	0.10	0.23	0.48	0.68
Closing Cash & Bank Balance	0.92	1.02	1.24	1.73	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	4.06	6.02	8.13	10.48	12.71
Interest on Term Loan	0.91	0.80	0.57	0.35	0.12
Total	4.97	6.82	8.71	10.83	12.83
<u>REPAYMENT</u>					
Instalment of Term Loan	1.03	2.05	2.05	2.05	2.05
Interest on Term Loan	0.91	0.80	0.57	0.35	0.12
Total	1.93	2.85	2.63	2.40	2.18
DEBT SERVICE COVERAGE RATIO	2.57	2.39	3.31	4.51	5.90
AVERAGE D.S.C.R.	3.68				