



## **DETAILED PROJECT REPORT**

### **SOYA MILK 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	:	Soya Milk Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	108000 Ltr/annum(50,55,60,65&70% capacity utilization in 1 <sup>st</sup> to 5 <sup>th</sup> Year respectively)
4. Raw material	:	Soyabean, sugar and other chemicals and flavours.
5. Major product outputs	:	Soya Milk
6. Total project cost	:	Rs. 26.11 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 17.90 Lakh
• Miscellaneous Fixed Assets	:	Rs. 2.10 Lakh
• Working capital	:	Rs. 6.11 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 7.00 Lakh
• Promoter's contribution (min10%)	:	Rs. 2.60 Lakh
• Term loan	:	Rs.11.00 Lakh
• Working Capital Requirement	:	Rs. 5.50 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1 <sup>st</sup> year	:	Rs. 1.49 Lakh
• 2 <sup>nd</sup> year	:	Rs. 3.22 Lakh
• 3 <sup>rd</sup> year	:	Rs. 5.04 Lakh
• 4 <sup>th</sup> year	:	Rs. 7.40Lakh
• 5th year	:	Rs. 9.66Lakh
11. Average DSCR	:	Rs. 2.92
12. Term loan repayment	:	5 Years with 6 months grace period

## **2. ABOUT THE PRODUCT**

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

Soya Milk is an inexpensive and remarkably versatile high protein food made from soya beans. It is a white liquid made from the seed. Unlike most other protein foods, milk is entirely free from cholesterol and low in fat (specially saturated fats).

The quality of protein is as high as that found in chicken. It is also good for dieters as this contain low calories. It is an excellent food for babies, children, elderly people, pregnant and lactating women since it contains vegetable protein which is very nutritious and easy to digest.

Soya milk and its derivatives are the cheapest source of protein, its derivatives tofu (soya paneer) makes tasty dishes like matar paneer, Palak paneer etc. and snacks like soya burger, patties, sandwiches, pakoras etc. and also used in desserts.

It's a good source of potassium and can be fortified with Vitamins A, B-12 and D as well as Calcium. It contains as much protein as Cow's Milk, yet is lower in calories than the whole milk and about equal to the calories in 1 percent or 2 percent milk. It contains very little saturated fats.

## 2.2. MARKET POTENTIAL:

With the increasing health consciousness among the general people, the use of soyabean is getting acceptance in the form of textured vegetable protein (popularly known as Soya baadi or Soya nuggets), Soya fortified wheat flour, Soya milk, Tofu and Soya curd etc. Being mainly the country of vegetarians, India has indeed a very great potential for Soya milk, paneer and curd. Experts predict that the Soya food industry will grow 20% annually over the next few years.

## 2.3. RAW MATERIAL DESCRIPTION:

Raw material that are required for Soya Milk making unit are:

1. Soybean
2. Chemicals, flavors, color and other material etc.
3. Sugar

S.N.	Particulars	Rate
1	Soybean	35-40/Kg
2	Sugar	30-35/kg

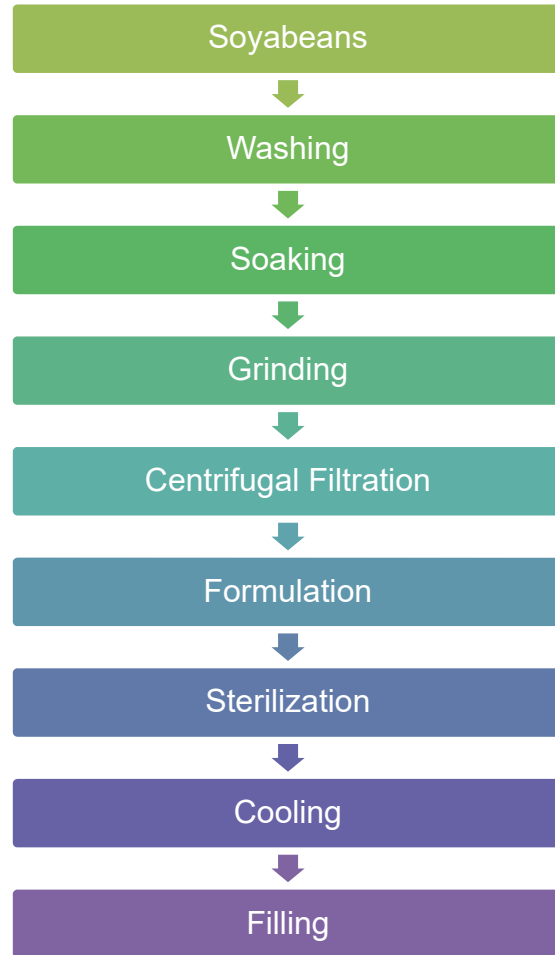
Average raw material cost per 1 Ltr Packet of Soya Milk: Rs. 70-90

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

Soya milk is made from whole soya beans or full-fat soya flour. The dry beans are soaked in water for a minimum of three hours up to overnight depending on the temperature of the water. The rehydrated beans then undergo wet grinding with enough added water to give the desired solids content to the final product which has a protein content of 1–4%, depending on the method of production. The ratio of water to beans on a weight basis is 10:1 for traditional soya milk. The resulting slurry or purée is brought to a boil in order to improve its taste properties by heat inactivating soybean trypsin inhibitor, improve its flavor, and to sterilize the product.

Heating at or near the boiling point is continued for a period of time, 15–20 minutes, followed by the removal of insoluble residues (soya pulp fiber) by filtration.

Processing requires the use of an anti-foaming agent or natural defoamer during the boiling step. Bringing filtered soya milk to a boil avoids the problem of foaming. It is generally opaque, white or off-white in color, and approximately the same consistency as cow's milk. Raw soya milk may be sweetened, flavored, and fortified with micronutrients. Once fully processed, soya milk products are typically sold in plastic bottles or plastic-coated cartons, such as tetra packs.



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

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

1. Production Capacity of Soya Milk is 50 Ltr. 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 7 days and Finished goods Closing Stock has been taken for 7 days.
4. Credit period to Sundry Debtors has been given for 20 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.



## 4.2. CAPACITY, UTILIZATION, PRODUCTION & OUTPUT

<b><u>COMPUTATION OF PRODUCTION OF SOYA MILK</u></b>		
<b>Items to be Manufactured</b>		
Soya Milk		
Machine capacity Per hour	50	Ltr
Total working Hours	8	
Machine capacity Per Day	400	Ltr
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	10%	
Raw material requirement	120000	Ltr
Final Output per annum after wastage	108000	Ltr
Final Product to be packed in 1 Ltr Packet		
Number of Packets per annum	108000	1 Ltr Packet

<b>Production of Soya Milk</b>		
<b>Production</b>	<b>Capacity</b>	<b>Ltr.</b>
1st year	50%	54,000
2nd year	55%	59,400
3rd year	60%	64,800
4th year	65%	70,200
5th year	70%	75,600





<b>Raw Material Cost</b>			
<b>Year</b>	<b>Capacity Utilisation</b>	<b>Rate (per Ltr.)</b>	<b>Amount (Rs. in lacs)</b>
1st year	50%	70.00	42.00
2nd year	55%	74.00	48.84
3rd year	60%	78.00	56.16
4th year	65%	82.00	63.96
5th year	70%	86.00	72.24





<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	-	1,260	1,386	1,512	1,638
Production	54,000	59,400	64,800	70,200	75,600
Less : Closing Stock	1,260	1,386	1,512	1,638	1,764
<b>Net Sale</b>	<b>52,740</b>	<b>59,274</b>	<b>64,674</b>	<b>70,074</b>	<b>75,474</b>
Sale price per packet	140.00	147.00	154.00	162.00	170.00
<b>Sales (in Lacs)</b>	<b>73.84</b>	<b>87.13</b>	<b>99.60</b>	<b>113.52</b>	<b>128.31</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.
Dry Bean Tank	These equipment's are class of storage equipment's which are specifically designed for dry raw material of small granule composition.	
Soya bean Transferring Machine	This machine is basically used to transfer soya bean to Soaking and washing machine for further process.	
Soya bean Soaking & Washing Machine	Soybean Soaking & Washing Machine use compressed air injection in water to roll the beans, separate bad Soybean and other impurities which float on the water and then are simply discharged with overflow to get the pure soybean.	
Grinding and Separating Machine	Grinding & Separating Machine are used for grinding rice, soybeans and all sorts of beans into soy milk, rice milk and carrot cakes. Many small stores choose the versatile machine for a priority to	

	lower the cost	
Soy milk Cooking Machine	In this machine time and temperature for cooking are operated on the panel and thus facilitate cooking of condensed food. They can be used for cooking not only soy milk but also Rice Milk, soup and concentrated sauce like spaghetti sauce.	
Soy milk Storage Tank	After the soy milk is prepared this equipment is used to store the soy milk. Therefore, they serve as machines for temporary storage and transports the right amount of soy milk to the next device in operation on the basis of device capacity.	
Sugar Dissolving Machine	This machine is used to dissolve sugar in the soy milk in the right quantity and provides taste to the product.	
Soy milk Twin Filter machine	Soy milk Twin Filter Machine removes the main residues from expansion of boiled pulp and whey sugar particles that are too large.	
Homogenizer	This equipment is used in the production of liquid mixtures in	

	<p>which the said mixture, is forced through a small passage at high velocity. This machine reduces solute globule size to a very small size in order to prevent aggregate formation.</p>	
<p>Soy milk Plate Heat Exchanger Machine</p>	<p>Soy milk Plate Heat Exchanger Equipment is a pasteurization process to improve soy milk's shelf life. Using Soy milk Plate Heat Exchanger Equipment destroys bacteria and improves soy milk's quality. Soy milk Plate Heat Exchanger Equipment is suitable for the production of soy milk (Long Life soy milk) or juice.</p>	
<p>Soy milk Filling and Sealing Equipment</p>	<p>This machine is used to fill the finished product in pouches or cans of different sizes and the product is ready for sale in the market.</p>	
<p>Material handling and other Equipments</p>	<p>These Equipments are used for material handling. Other equipments like water pumps, conveyors, weighing machine, etc are also used.</p>	

PM FME- Detailed Project Report of Soya Milk Unit

<b>Machine</b>	<b>Unit</b>	<b>Rate</b>	<b>Price</b>
Dry Bean Tank	21	40000	80000
Soya bean Transferring Machine	1	175000	175000
Soya bean Soaking & Washing Machine	1	200000	200000
Grinding and Separating Machine	1	100000	100000
Soymilk Cooking Machine	1	170000	170000
Soymilk Storage Tank (Capacity 100-1000 ltr)	1	80000	80000
Sugar Dissolving Machine	1	150000	150000
Soy milk Twin Filter machine	1	20000	20000
Homogenizer (Capacity 300 Ltr/hr.)	1	195000	195000
Soymilk Plate Heat Exchanger Machine	1	120000	120000
Soymilk Filling and Sealing Equipment(Capacity 150-200 pouch/hour)	1	150000	150000
Material handling and other equipments (Bins, trolley, conveyor, silos, weighing machine, etc.)	-	350000	350000

**Note:** Total Machinery cost shall be Rs17.90 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	17.90
Miscellaneous Assets	2.10
Working capital	6.11
<b>Total</b>	<b>26.11</b>

#### 4.7. MEANS OF FINANCE

<b>MEANS OF FINANCE</b>	
<b>PARTICULARS</b>	<b>AMOUNT</b>
Own Contribution (min 10%)	2.60
Subsidy @35%(Max. Rs 10 Lac)	7.00
Term Loan @ 55%	11.00
Working Capital (Bank Finance)	5.50
<b>Total</b>	<b>26.11</b>

**4.8. TERM LOAN:** Term loan of Rs. 11.00 Lakh is required for project cost of Rs. 26.11 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	-	11.00	11.00	-	-	11.00	
	2nd month	11.00	-	11.00	0.10	-	11.00	
	3rd month	11.00	-	11.00	0.10	-	11.00	
	4th month	11.00	-	11.00	0.10	-	11.00	
	5th month	11.00	-	11.00	0.10	-	11.00	
	6th month	11.00	-	11.00	0.10	-	11.00	
	7th month	11.00	-	11.00	0.10	0.20	10.80	
	8th month	10.80	-	10.80	0.10	0.20	10.59	
	9th month	10.59	-	10.59	0.10	0.20	10.39	
	10th month	10.39	-	10.39	0.10	0.20	10.19	
	11th month	10.19	-	10.19	0.09	0.20	9.98	
	12th month	9.98	-	9.98	0.09	0.20	9.78	
					1.08	1.22		
<b>2nd</b>	Opening Balance							
	1st month	9.78	-	9.78	0.09	0.20	9.57	
	2nd month	9.57	-	9.57	0.09	0.20	9.37	
	3rd month	9.37	-	9.37	0.09	0.20	9.17	



PM FME- Detailed Project Report of Soya Milk Unit

4th month	9.17	-	9.17	0.08	0.20	8.96
5th month	8.96	-	8.96	0.08	0.20	8.76
6th month	8.76	-	8.76	0.08	0.20	8.56
7th month	8.56	-	8.56	0.08	0.20	8.35
8th month	8.35	-	8.35	0.08	0.20	8.15
9th month	8.15	-	8.15	0.07	0.20	7.94
10th month	7.94	-	7.94	0.07	0.20	7.74
11th month	7.74	-	7.74	0.07	0.20	7.54
12th month	7.54	-	7.54	0.07	0.20	7.33
				<b>0.95</b>	<b>2.44</b>	
<b>3rd</b>	<b>Opening Balance</b>					
1st month	7.33	-	7.33	0.07	0.20	7.13
2nd month	7.13	-	7.13	0.07	0.20	6.93
3rd month	6.93	-	6.93	0.06	0.20	6.72
4th month	6.72	-	6.72	0.06	0.20	6.52
5th month	6.52	-	6.52	0.06	0.20	6.31
6th month	6.31	-	6.31	0.06	0.20	6.11
7th month	6.11	-	6.11	0.06	0.20	5.91
8th month	5.91	-	5.91	0.05	0.20	5.70
9th month	5.70	-	5.70	0.05	0.20	5.50
10th month	5.50	-	5.50	0.05	0.20	5.30
11th month	5.30	-	5.30	0.05	0.20	5.09
12th month	5.09	-	5.09	0.05	0.20	4.89
				<b>0.68</b>	<b>2.44</b>	

PM FME- Detailed Project Report of Soya Milk Unit

<b>4th</b>	Opening Balance						
	1st month	4.89	-	4.89	0.04	0.20	4.69
	2nd month	4.69	-	4.69	0.04	0.20	4.48
	3rd month	4.48	-	4.48	0.04	0.20	4.28
	4th month	4.28	-	4.28	0.04	0.20	4.07
	5th month	4.07	-	4.07	0.04	0.20	3.87
	6th month	3.87	-	3.87	0.04	0.20	3.67
	7th month	3.67	-	3.67	0.03	0.20	3.46
	8th month	3.46	-	3.46	0.03	0.20	3.26
	9th month	3.26	-	3.26	0.03	0.20	3.06
	10th month	3.06	-	3.06	0.03	0.20	2.85
	11th month	2.85	-	2.85	0.03	0.20	2.65
	12th month	2.65	-	2.65	0.02	0.20	2.44
					<b>0.41</b>	<b>2.44</b>	
<b>5th</b>	Opening Balance						
	1st month	2.44	-	2.44	0.02	0.20	2.24
	2nd month	2.24	-	2.24	0.02	0.20	2.04
	3rd month	2.04	-	2.04	0.02	0.20	1.83
	4th month	1.83	-	1.83	0.02	0.20	1.63
	5th month	1.63	-	1.63	0.01	0.20	1.43
	6th month	1.43	-	1.43	0.01	0.20	1.22
	7th month	1.22	-	1.22	0.01	0.20	1.02
	8th month	1.02	-	1.02	0.01	0.20	0.81
	9th month	0.81	-	0.81	0.01	0.20	0.61
	10th month	0.61	-		0.01	0.20	0.41

			0.61			
11th month	0.41	-	0.41	0.00	0.20	0.20
12th month	0.20	-	0.20	0.00	0.20	-
			<b>0.15</b>	<b>2.44</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><u>Finished Goods</u></b>						
	1.45	1.65	1.86	2.09	2.33	
<b><u>Raw Material</u></b>						
	0.98	1.14	1.31	1.49	1.69	
<b>Closing Stock</b>	<b>2.43</b>	<b>2.79</b>	<b>3.17</b>	<b>3.58</b>	<b>4.02</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	2.43					
Less : Creditors	0.98					
<b>Paid stock</b>	<b>1.45</b>	<b>10%</b>	<b>0.15</b>	<b>90%</b>	<b>1.31</b>	
<b>Sundry Debtors</b>	<b>4.92</b>	<b>10%</b>	<b>0.49</b>	<b>90%</b>	<b>4.43</b>	
	<b>6.38</b>		<b>0.64</b>		<b>5.74</b>	
<b>MPBF</b>					<b>5.74</b>	
<b>WORKING CAPITAL LIMIT DEMAND ( from Bank)</b>					<b>5.50</b>	
<b>Working Capital Margin</b>					<b>0.61</b>	

**4.11. SALARY & WAGES**

<b><u>BREAK UP OF LABOUR CHARGES</u></b>			
<b>Particulars</b>	<b>Wages Rs. per Month</b>	<b>No of Employees</b>	<b>Total Salary</b>
Plant Operator	15,000	2	30,000
Supervisor	18,000	1	18,000
Skilled (in thousand rupees)	12,000	2	24,000
Unskilled (in thousand rupees)	8,500	2	17,000
<b>Total salary per month</b>			<b>89,000</b>
<b>Total annual labour charges</b>	<b>(in lacs)</b>		<b>10.68</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	6,500	1	6,500
Manager	18,000	1	18,000
Accountant	15,000	1	15,000
<b>Total salary per month</b>			<b>39,500</b>
<b>Total annual Staff charges</b>	<b>(in lacs)</b>		<b>4.74</b>

## 4.12 POWER REQUIREMENT

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

## 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	17.90	2.10	20.00
Total	17.90	2.10	20.00
Less : Depreciation	2.69	0.21	2.90
<b>WDV at end of Year</b>	<b>15.22</b>	<b>1.89</b>	<b>17.11</b>
Additions During The Year	-	-	-
Total	15.22	1.89	17.11
Less : Depreciation	2.28	0.19	2.47
<b>WDV at end of Year</b>	<b>12.93</b>	<b>1.70</b>	<b>14.63</b>
Additions During The Year	-	-	-
Total	12.93	1.70	14.63
Less : Depreciation	1.94	0.17	2.11
<b>WDV at end of Year</b>	<b>10.99</b>	<b>1.53</b>	<b>12.52</b>
Additions During The Year	-	-	-
Total	10.99	1.53	12.52
Less : Depreciation	1.65	0.15	1.80
<b>WDV at end of Year</b>	<b>9.34</b>	<b>1.38</b>	<b>10.72</b>
Additions During The Year	-	-	-
Total	9.34	1.38	10.72
Less : Depreciation	1.40	0.14	1.54
<b>WDV at end of Year</b>	<b>7.94</b>	<b>1.24</b>	<b>9.18</b>

**4.14. REPAIR & MAINTENANCE:** Repair & Maintenance is 3.0% 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>						
Soya Milk	73.84	87.13	99.60	113.52	128.31	
<b>Total</b>	<b>73.84</b>	<b>87.13</b>	<b>99.60</b>	<b>113.52</b>	<b>128.31</b>	
<b><u>COST OF SALES</u></b>						
Raw Material Consumed	42.00	48.84	56.16	63.96	72.24	
Electricity Expenses	2.88	3.31	3.81	4.38	4.82	
Depreciation	2.90	2.47	2.11	1.80	1.54	
Wages & labour	10.68	11.75	12.81	13.83	14.94	
Repair & maintenance	2.22	2.61	2.99	3.41	3.85	
Packaging	1.62	1.74	1.99	2.27	2.57	
<b>Cost of Production</b>	<b>62.29</b>	<b>70.73</b>	<b>79.86</b>	<b>89.65</b>	<b>99.95</b>	
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>1.45</b>	<b>1.65</b>	<b>1.86</b>	<b>2.09</b>	
<b>Less: Closing Stock /WIP</b>	<b>1.45</b>	<b>1.65</b>	<b>1.86</b>	<b>2.09</b>	<b>2.33</b>	
Cost of Sales	60.84	70.53	79.65	89.42	99.71	
<b>GROSS PROFIT</b>	<b>13.00</b>	<b>16.60</b>	<b>19.95</b>	<b>24.10</b>	<b>28.60</b>	
	<b>17.60%</b>	<b>19.05%</b>	<b>20.03%</b>	<b>21.23%</b>	<b>22.29%</b>	
Salary to Staff	4.74	5.69	7.11	7.82	8.76	
Interest on Term Loan	1.08	0.95	0.68	0.41	0.15	
Interest on working Capital	0.61	0.61	0.61	0.61	0.61	
Rent	3.60	3.96	4.36	4.79	5.27	
selling & adm exp	1.48	2.18	1.99	2.32	2.69	
<b>TOTAL</b>	<b>11.50</b>	<b>13.38</b>	<b>14.75</b>	<b>15.95</b>	<b>17.48</b>	
<b>NET PROFIT</b>	<b>1.49</b>	<b>3.22</b>	<b>5.20</b>	<b>8.15</b>	<b>11.12</b>	
	<b>2.02%</b>	<b>3.69%</b>	<b>5.22%</b>	<b>7.18%</b>	<b>8.67%</b>	
Taxation	-	-	0.17	0.76	1.46	
<b>PROFIT (After Tax)</b>	<b>1.49</b>	<b>3.22</b>	<b>5.04</b>	<b>7.40</b>	<b>9.66</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>	73.84	87.13	99.60	113.52	128.31
Less : Op. WIP Goods	-	1.45	1.65	1.86	2.09
Add : Cl. WIP Goods	1.45	1.65	1.86	2.09	2.33
<b>Total Sales</b>	<b>75.29</b>	<b>87.33</b>	<b>99.81</b>	<b>113.75</b>	<b>128.55</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material Consumed	42.00	48.84	56.16	63.96	72.24
Electricity Exp/Coal Consumption at 85%	2.45	2.82	3.24	3.72	4.10
Wages & Salary at 60%	9.25	10.46	11.95	12.99	14.22
Selling & administrative Expenses 80%	1.18	1.74	1.59	1.85	2.16
Interest on working Capital	0.605	0.605	0.605	0.605	0.605
Repair & maintenance	2.22	2.61	2.99	3.41	3.85
Packaging	1.62	1.74	1.99	2.27	2.57
<b>Total Variable &amp; Semi Variable Exp</b>	<b>59.33</b>	<b>68.82</b>	<b>78.53</b>	<b>88.81</b>	<b>99.73</b>
<b>Contribution</b>	<b>15.96</b>	<b>18.51</b>	<b>21.29</b>	<b>24.94</b>	<b>28.82</b>
<b>Fixed &amp; Semi Fixed Expenses</b>					
Electricity Exp/Coal Consumption at 15%	0.43	0.50	0.57	0.66	0.72
Wages & Salary at 40%	6.17	6.97	7.97	8.66	9.48
Interest on Term Loan	1.08	0.95	0.68	0.41	0.15
Depreciation	2.90	2.47	2.11	1.80	1.54
Selling & administrative Expenses 20%	0.30	0.44	0.40	0.46	0.54
Rent	3.60	3.96	4.36	4.79	5.27
<b>Total Fixed Expenses</b>	<b>14.47</b>	<b>15.29</b>	<b>16.09</b>	<b>16.79</b>	<b>17.70</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>1.49</b>	<b>3.22</b>	<b>5.20</b>	<b>8.15</b>	<b>11.12</b>
<b>BREAK EVEN POINT</b>	<b>45%</b>	<b>45%</b>	<b>45%</b>	<b>44%</b>	<b>43%</b>
<b>BREAK EVEN SALES</b>	<b>68.25</b>	<b>72.15</b>	<b>75.42</b>	<b>76.57</b>	<b>78.93</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		9.59	10.81	12.35	14.24	
Add:- Own Capital	2.60					
Add:- Retained Profit	1.49	3.22	5.04	7.40	9.66	
Less:- Drawings	1.50	2.00	3.50	5.50	7.00	
Subsidy/grant	7.00					
Closing Balance	9.59	10.81	12.35	14.24	16.90	
Term Loan	9.78	7.33	4.89	2.44	-	
Working Capital Limit	5.50	5.50	5.50	5.50	5.50	
Sundry Creditors	0.98	1.14	1.31	1.49	1.69	
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86	
<b>TOTAL :</b>	<b>26.25</b>	<b>25.28</b>	<b>24.65</b>	<b>24.40</b>	<b>24.95</b>	
<b><u>Assets</u></b>						
<b>Fixed Assets ( Gross)</b>	20.00	20.00	20.00	20.00	20.00	
Gross Dep.	2.90	5.37	7.48	9.28	10.82	
<b>Net Fixed Assets</b>	<b>17.11</b>	<b>14.63</b>	<b>12.52</b>	<b>10.72</b>	<b>9.18</b>	
<b>Current Assets</b>						
Sundry Debtors	4.92	5.81	6.64	7.57	8.55	
Stock in Hand	2.43	2.79	3.17	3.58	4.02	
Cash and Bank	1.79	2.05	2.31	2.53	3.20	
<b>TOTAL :</b>	<b>26.25</b>	<b>25.28</b>	<b>24.65</b>	<b>24.40</b>	<b>24.95</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	2.60				
Net Profit	1.49	3.22	5.20	8.15	11.12
Depriciation & Exp. W/off	2.90	2.47	2.11	1.80	1.54
Increase in Cash Credit	5.50	-	-	-	-
Increase In Term Loan	11.00	-	-	-	-
Increase in Creditors	0.98	0.16	0.17	0.18	0.19
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	7.00				
<b>TOTAL :</b>	<b>31.87</b>	<b>5.95</b>	<b>7.58</b>	<b>10.26</b>	<b>13.00</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	20.00				
Increase in Stock	2.43	0.36	0.38	0.41	0.43
Increase in Debtors	4.92	0.89	0.83	0.93	0.99
Repayment of Term Loan	1.22	2.44	2.44	2.44	2.44
Drawings	1.50	2.00	3.50	5.50	7.00
Taxation	-	-	0.17	0.76	1.46
<b>TOTAL :</b>	<b>30.08</b>	<b>5.69</b>	<b>7.32</b>	<b>10.04</b>	<b>12.33</b>
Opening Cash & Bank Balance	-	1.79	2.05	2.31	2.53
Add : Surplus	1.79	0.26	0.26	0.22	0.67
Closing Cash & Bank Balance	<b>1.79</b>	<b>2.05</b>	<b>2.31</b>	<b>2.53</b>	<b>3.20</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	4.39	5.69	7.15	9.20	11.20
Interest on Term Loan	1.08	0.95	0.68	0.41	0.15
<b>Total</b>	<b>5.47</b>	<b>6.64</b>	<b>7.83</b>	<b>9.61</b>	<b>11.35</b>
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	1.22	2.44	2.44	2.44	2.44
Interest on Term Loan	1.08	0.95	0.68	0.41	0.15
Total	2.30	3.40	3.13	2.86	2.59
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.37</b>	<b>1.96</b>	<b>2.50</b>	<b>3.36</b>	<b>4.38</b>
<b>AVERAGE D.S.C.R.</b>	<b>2.92</b>				