



DETAILED PROJECT REPORT
MASALA TEA MAKING UNIT
UNDER PMFME SCHEME



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1. PROJECT SUMMARY

1. Name of the proposed project	:	Masala Tea Making Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	114000 Kg/annum (35,40,45,50&55% capacity utilization in 1 st to 5 th Year respectively)
4. Raw material	:	Cardamom, Dry Ginger, Cinnamon, Black Pepper and Cloves.
5. Major product outputs	:	Masala Tea
6. Total project cost	:	Rs. 30.34 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 17.85 Lakh
• Miscellaneous Fixed Assets	:	Rs. 3.00 Lakh
• Working capital	:	Rs. 9.49 Lakh
7. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 7.30 Lakh
• Promoter's contribution (min10%)	:	Rs. 3.02 Lakh
• Term loan	:	Rs. 11.47 Lakh
• Working Capital Requirement	:	Rs. 8.54 Lakh
8. Profit after Depreciation, Interest & Tax		
• 1 st year	:	Rs. 1.93 Lakh
• 2 nd year	:	Rs. 4.73 Lakh
• 3 rd year	:	Rs. 6.71 Lakh
• 4 th year	:	Rs. 8.06 Lakh
• 5 th year	:	Rs. 10.22 Lakh
9. Average DSCR	:	Rs. 3.11
10. Term loan repayment	:	5 Years with 6 months grace period

2. ABOUT THE PRODUCT

2.1. PRODUCT INTRODUCTION:

Masala chai is a tea drink made by steeping black tea in milk and water with aromatic herbs and spices. The beverage, which originated in South Asia, has gained worldwide popularity and is now found in many coffee and tea shops. While traditionally green cardamom pods, cinnamon sticks, ground cloves, ground ginger, and black peppercorns in a decoction with black tea leaves, retail variations include infusion tea bags, instant powdered mixtures, and concentrates.

Health benefit of masala tea

Masala Chai, the name is enough to brighten a chai lover's day. In India, tea is a year-round beverage for many people, whether it's summer, fall, winter, or spring. Early in the morning, a cup of steaming hot tea brightens and refreshes our day. There are several different types of tea to choose from, including black tea, green tea, and Indian kadak masala tea, and the best part is that each form of tea has many health benefits. Tea is a delicious and nutritious beverage that is also one of the simplest to make.

The following health benefits of masala tea are given below

- Improves Digestion
- Reduces Nausea
- Relieves Aches and Pains
- May Improve Heart Health
- Boosts Immunity
- Increases Your Energy Levels

2.2. MARKET POTENTIAL:

India is the second-largest tea producer in the Asia Pacific region after China, which is also the largest user of the beverage, consuming nearly 30% of global tea production in 2018. Despite this, after China and Kenya, the country exported the most tea in the world. In 2018, the global tea market was worth USD 12.63 billion, and it is projected to grow at a CAGR of 5.5 percent from 2019 to 2025. In the Indian subcontinent, masala tea is a common beverage. Chai wallas, small roadside companies, make and deliver tea in a chaidaan, a wooden or metal frame carrier for cups, to people's places of business. Roadside tea stalls in Mumbai's metropolitan city serve smaller cups of tea for a lower price, known as 'Cutting Chai.' Masala tea is a common beverage in households in South Asia. Though most people like to eat it with breakfast in the morning, it is also served to any visitors. Tea stalls have become a good business opportunity for many start-ups in India as demand has grown. There are now a slew of larger food chains selling "Masala Chai" and light snacks on office and college campuses, and they're thriving. India is well-known for its Chai culture, in addition to its history, culture, and cuisine. India is one of the countries where the elderly population is growing, and with it, the prevalence of diseases affecting the elderly. The human body begins to deteriorate with each passing year. As a result, as people grow older, their chances of developing numerous health problems increase. Masala tea is made by combining various spices and ingredients to aid in the prevention of certain diseases and to keep seniors fit and safe in their later years. Cinnamon, black pepper, ginger, Holy basil, cardamom, and other spices are used in masala tea. Masala Tea is popular all over the world for its health benefits as well as its delicious taste and aroma.

2.3. RAW MATERIAL DESCRIPTION:

The following ingredient are required to make a good masala tea powder

1. Cardamom
2. Dry Ginger
3. Cinnamon
4. Black Pepper
5. Cloves

S.N.	Particulars	Rate (Approx.)
1	Cardamom	Rs. 1200-1300/kg
2	Dry Ginger	Rs. 100-150/kg
3	Cinnamon	Rs. 120-180/kg
4	Black Pepper	Rs. 300-400/kg
5	Cloves	Rs. 400-500/kg

Average raw material cost per 1 kg packet of masala tea: Rs. 280-350

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.

Vibratory pre- cleaning:

Vibratory pre-cleaning is the first step in the process of removing large and small impurities from farm produce. Pre-cleaning is a cleaning operation that removes impurities such as stones, leaves, sticks, sand, fine dust, and other contaminants before silo storage.

De-stoning:

The aim of this process is that removes stones and other particles impurities from the spices.

Magnetic separation:

The spices and herbs passes by a magnetic separator that removes ferrous metal particles. It is also necessary to ensure that no metal pieces are in the finished product.

(*All the cleaned separately in cleaning sections)

Mixing the spices

The raw material (spices and herbs) are mixed in a fixed proportion and send for the rousing grinding section.

Roasting:

After mixing, dry roast the on a low flame until it turns an achieved mild golden brown colour. Allow it to cool, and then raw material is ready to grind.

Grinding

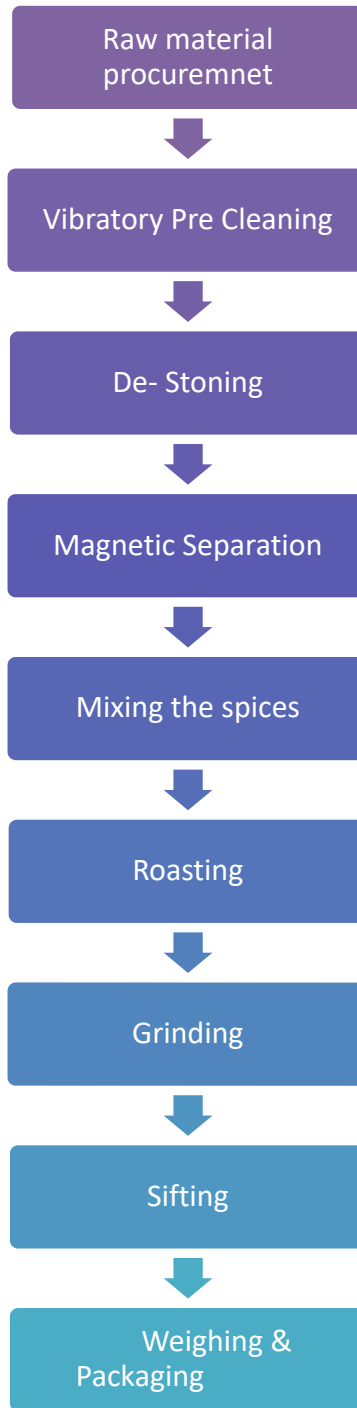
Grinding can be a method of adding value to a product. After grinding, spices are become in powder form.

Sifting

In order to achieve consistency in the final product, grind masala tea is sent to a sifter system. The large particles are separated by a sifter and sent back to be ground again.

Weighing Packaging

The packaging is done in a simple manner; masala tea powder is fed into the holding tank of the packaging system, which then weights, fills, and seals the powder into polybags.



4. ECONOMICS OF THE PROJECT

4.1. BASIS & PRESUMPTIONS

1. Production Capacity of Masala Tea is 400 Kg. per day. First year, Capacity has been taken @ 35%.
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 22 KW.
10. Increase in sales and raw material costing has been taken @ 5% on a yearly basis.

4.2. CAPACITY, UTILIZATION, PRODUCTION & OUTPUT

COMPUTATION OF PRODUCTION OF MASALA TEA		
Items to be Manufactured		
Masala Tea		
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 Masala Tea		
Production	Capacity	Packets
1st year	35%	39,900
2nd year	40%	45,600
3rd year	45%	51,300
4th year	50%	57,000
5th year	55%	62,700

Raw Material Cost			
Year	Capacity	Rate	Amount
	Utilisation	(per packet)	(Rs. in lacs)
1st year	35%	290.00	115.71
2nd year	40%	305.00	139.08
3rd year	45%	320.00	164.16
4th year	50%	336.00	191.52
5th year	55%	353.00	221.33






COMPUTATION OF SALE					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	931	1,064	1,197	1,330
Production	39,900	45,600	51,300	57,000	62,700
Less : Closing Stock	931	1,064	1,197	1,330	1,463
Net Sale	38,969	45,467	51,167	56,867	62,567
Sale price per packet	450.00	473.00	497.00	522.00	548.00
Sales (in Lacs)	175.36	215.06	254.30	296.85	342.87

4.3. PREMISES/INFRASTRUCTURE




The approximate total area required for complete factory setup is 3000-4000 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.
Vibrating Pre-Cleaner	It consists of a vibrating sieve that is powered by an exciter, which is powered by an appropriate motor, and it is used to remove the majority of dirt and large impurities from a given flower.	
De-stoner	It's a machine which is used to remove stones from the given grain, widely used in various grain mills in cleaning section.	
Magnetic Separator	It's a type of separator which is used to magnetic impurities from given product using powerful electromagnets, used in wide range of industries for separation.	
Ribbon Blender	Ribbon blender is used for mix the spices in fix proportion for further processing.	
Roaster Machine	This seeds roasting machine is used for roasting the varieties of seeds like cereals, spices, grains etc.	

<p>Grinding Machine</p>	<p>This machine is commonly used for grinding dried whole masala tea ingredient.</p>	
<p>Sifting Machine</p>	<p>The sifting machines are used for sieve the fine powder received from grinding machine.</p>	
<p>Packaging Machine</p>	<p>This machine is used to pack the finished grinded masala tea powder for market sale.</p>	
<p>Unloading Bins</p>	<p>These are large bins designed for unloading of grains & similar product; they are equipped with large rod mess to prevent big impurities from entering system.</p>	
<p>Silos</p>	<p>This Equipment is class of storage Equipment which are specifically designed for dry grain raw material of small granule composition. Usually used to store grains but can also be used to store cement & aggregate.</p>	

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Bucket Elevator	A bucket lift is also a seed leg and is a device for vertical transport, often grain materials.	
Belt Conveyors	Belt conveyors are most commonly used in transportation of bulk materials	
Material handling and other Equipment's	These Equipment's are used for material handling. Other equipment's like water pumps, motors, etc are also used.	

Machine	Unit	Rate	Price
Vibrating Pre-Cleaner	1	175000	175000
De-stoner	1	150000	150000
Magnetic Separator	1	225000	225000
Ribbon Blender	1	135000	135000
Roaster Machine	1	175000	175000
Grinding Machine	1	258000	258000
Sifting Machine	1	97000	97000

Packaging Machine	1	220000	220000
Material handling and other equipment's (Trolley, weighing machine, storage bins, silo, bucket elevator, belt conveyors, etc.)	-	350000	350000

Note: Total Machinery cost shall be Rs 17.85 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

COST OF PROJECT	
	(in Lacs)
PARTICULARS	Amount
Land & Building	Owned/Rented
Plant & Machinery	17.85
Miscellaneous Assets	3.00
Working capital	9.49
Total	30.34

4.7. MEANS OF FINANCE

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution (min 10%)	3.02
Subsidy @35%(Max. Rs 10 Lac)	7.30
Term Loan @ 55%	11.47
Working Capital (Bank Finance)	8.54
Total	30.34

4.8. TERM LOAN: Term loan of Rs. 11.47 Lakh is required for project cost of Rs. 30.34 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	
1st	Opening Balance							
	1st month	-	11.47	11.47	-	-	11.47	
	2nd month	11.47	-	11.47	0.11	-	11.47	
	3rd month	11.47	-	11.47	0.11	-	11.47	

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4th month	11.47	-	11.47	0.11		11.47
5th month	11.47	-	11.47	0.11		11.47
6th month	11.47	-	11.47	0.11		11.47
7th month	11.47	-	11.47	0.11	0.21	11.26
8th month	11.26	-	11.26	0.10	0.21	11.04
9th month	11.04	-	11.04	0.10	0.21	10.83
10th month	10.83	-	10.83	0.10	0.21	10.62
11th month	10.62	-	10.62	0.10	0.21	10.41
12th month	10.41	-	10.41	0.10	0.21	10.19
				1.13	1.27	
2nd	Opening Balance					
1st month	10.19	-	10.19	0.09	0.21	9.98
2nd month	9.98	-	9.98	0.09	0.21	9.77
3rd month	9.77	-	9.77	0.09	0.21	9.56
4th month	9.56	-	9.56	0.09	0.21	9.34
5th month	9.34	-	9.34	0.09	0.21	9.13
6th month	9.13	-	9.13	0.08	0.21	8.92
7th month	8.92	-	8.92	0.08	0.21	8.71
8th month	8.71	-	8.71	0.08	0.21	8.49
9th month	8.49	-	8.49	0.08	0.21	8.28
10th month	8.28	-	8.28	0.08	0.21	8.07
11th month	8.07	-	8.07	0.07	0.21	7.86
12th month	7.86	-	7.86	0.07	0.21	7.65
				0.99	2.55	

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3rd	Opening Balance						
	1st month	7.65	-	7.65	0.07	0.21	7.43
	2nd month	7.43	-	7.43	0.07	0.21	7.22
	3rd month	7.22	-	7.22	0.07	0.21	7.01
	4th month	7.01	-	7.01	0.06	0.21	6.80
	5th month	6.80	-	6.80	0.06	0.21	6.58
	6th month	6.58	-	6.58	0.06	0.21	6.37
	7th month	6.37	-	6.37	0.06	0.21	6.16
	8th month	6.16	-	6.16	0.06	0.21	5.95
	9th month	5.95	-	5.95	0.05	0.21	5.73
	10th month	5.73	-	5.73	0.05	0.21	5.52
	11th month	5.52	-	5.52	0.05	0.21	5.31
	12th month	5.31	-	5.31	0.05	0.21	5.10
					0.71	2.55	
4th	Opening Balance						
	1st month	5.10	-	5.10	0.05	0.21	4.88
	2nd month	4.88	-	4.88	0.04	0.21	4.67
	3rd month	4.67	-	4.67	0.04	0.21	4.46
	4th month	4.46	-	4.46	0.04	0.21	4.25
	5th month	4.25	-	4.25	0.04	0.21	4.03
	6th month	4.03	-	4.03	0.04	0.21	3.82
	7th month	3.82	-	3.82	0.04	0.21	3.61
	8th month	3.61	-	3.61	0.03	0.21	3.40
	9th month	3.40	-	3.40	0.03	0.21	3.19
	10th month	3.19	-		0.03	0.21	2.97

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			3.19			
	11th month	2.97	-	2.97	0.03	0.21
	12th month	2.76	-	2.76	0.03	0.21
					0.43	2.55
5th	Opening Balance					
	1st month	2.55	-	2.55	0.02	0.21
	2nd month	2.34	-	2.34	0.02	0.21
	3rd month	2.12	-	2.12	0.02	0.21
	4th month	1.91	-	1.91	0.02	0.21
	5th month	1.70	-	1.70	0.02	0.21
	6th month	1.49	-	1.49	0.01	0.21
	7th month	1.27	-	1.27	0.01	0.21
	8th month	1.06	-	1.06	0.01	0.21
	9th month	0.85	-	0.85	0.01	0.21
	10th month	0.64	-	0.64	0.01	0.21
	11th month	0.42	-	0.42	0.00	0.21
	12th month	0.21	-	0.21	0.00	0.21
					0.15	2.55
	DOOR TO DOOR MORATORIUM PERIOD	60		MONTHS		
		6		MONTHS		
	REPAYMENT PERIOD	54		MONTHS		

4.10. 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>					
	3.64	4.31	5.03	5.82	6.67
<u>Raw Material</u>					
	2.70	3.25	3.83	4.47	5.16
Closing Stock	6.34	7.56	8.86	10.28	11.83

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					(in Lacs)
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	6.34				
Less : Creditors	2.70				
Paid stock	3.64	10%	0.36	90%	3.28
Sundry Debtors	5.85	10%	0.58	90%	5.26
	9.49		0.95		8.54
MPBF					8.54
WORKING CAPITAL LIMIT DEMAND (from Bank)					8.54
Working Capital Margin					0.95

4.11. SALARY & WAGES

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages	No of	Total
	Rs. per Month	Employees	Salary
Plant Operator	16,000	3	48,000
Supervisor	20,000	1	20,000
Skilled (in thousand rupees)	15,000	3	45,000
Unskilled (in thousand rupees)	8,500	4	34,000
Total salary per month			1,47,000
Total annual labour charges	(in lacs)		17.64

<u>BREAK UP OF STAFF SALARY CHARGES</u>			
Particulars	Salary	No of	Total
	Rs. per Month	Employees	Salary
Administrative Staff	8,000	3	24,000
Manager	25,000	1	25,000
Accountant	20,000	2	40,000
Total salary per month			89,000
Total annual Staff charges	(in lacs)		10.68

4.12 POWER REQUIREMENT

Utility Charges (per month)		
Particulars	value	Description
Power connection required	22	KWH
consumption per day	176	units
Consumption per month	4,400	units
Rate per Unit	10	Rs.
power Bill per month	44,000	Rs.

4.13. DEPRECIATION CALCULATION

COMPUTATION OF DEPRECIATION			(in Lacs)
Description	Plant & Machinery	Miss. Assets	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	17.85	3.00	20.85
Total	17.85	3.00	20.85
Less : Depreciation	2.68	0.30	2.98
WDV at end of Year	15.17	2.70	17.87
Additions During The Year	-	-	-
Total	15.17	2.70	17.87
Less : Depreciation	2.28	0.27	2.55
WDV at end of Year	12.90	2.43	15.33
Additions During The Year	-	-	-
Total	12.90	2.43	15.33
Less : Depreciation	1.93	0.24	2.18
WDV at end of Year	10.96	2.19	13.15
Additions During The Year	-	-	-
Total	10.96	2.19	13.15
Less : Depreciation	1.64	0.22	1.86
WDV at end of Year	9.32	1.97	11.29
Additions During The Year	-	-	-
Total	9.32	1.97	11.29
Less : Depreciation	1.40	0.20	1.59
WDV at end of Year	7.92	1.77	9.69

4.14. REPAIR & MAINTENANCE: Repair & Maintenance is 4.0% of Gross Sale.

4.15. PROJECTIONS OF PROFITABILITY ANALYSIS:

<u>PROJECTED PROFITABILITY STATEMENT</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	35%	40%	45%	50%	55%
<u>SALES</u>					
Gross Sale					
Masala Tea	175.36	215.06	254.30	296.85	342.87
Total	175.36	215.06	254.30	296.85	342.87
<u>COST OF SALES</u>					
Raw Material Consumed	115.71	139.08	164.16	191.52	221.33
Electricity Expenses	5.28	6.07	6.98	8.03	8.83
Depreciation	2.98	2.55	2.18	1.86	1.59
Wages & labour	17.64	19.40	21.34	23.48	25.83
Repair & maintenance	7.01	8.60	10.17	11.87	13.71
Packaging	7.37	9.03	10.68	12.47	14.40
Cost of Production	155.99	184.74	215.52	249.23	285.70
Add: Opening Stock /WIP	-	3.64	4.31	5.03	5.82
Less: Closing Stock /WIP	3.64	4.31	5.03	5.82	6.67
Cost of Sales	152.35	184.07	214.80	248.45	284.85
GROSS PROFIT	23.01	30.99	39.50	48.40	58.02
	13.12%	14.41%	15.53%	16.30%	16.92%
Salary to Staff	10.68	13.88	18.05	23.46	28.16
Interest on Term Loan	1.13	0.99	0.71	0.43	0.15
Interest on working Capital	0.94	0.94	0.94	0.94	0.94
Rent	3.60	4.32	5.18	6.22	7.15
selling & adm exp	4.73	6.13	7.30	8.31	9.60
TOTAL	21.08	26.26	32.18	39.37	46.00
NET PROFIT	1.93	4.73	7.32	9.03	12.02
	1.10%	2.20%	2.88%	3.04%	3.50%
Taxation	-		0.61	0.97	1.80
PROFIT (After Tax)	1.93	4.73	6.71	8.06	10.22

4.16. BREAK EVEN POINT ANALYSIS

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	175.36	215.06	254.30	296.85	342.87
Less : Op. WIP Goods	-	3.64	4.31	5.03	5.82
Add : Cl. WIP Goods	3.64	4.31	5.03	5.82	6.67
Total Sales	179.00	215.73	255.02	297.63	343.72
Variable & Semi Variable Exp.					
Raw Material Consumed	115.71	139.08	164.16	191.52	221.33
Electricity Exp/Coal Consumption at 85%	4.49	5.16	5.94	6.83	7.51
Wages & Salary at 60%	16.99	19.97	23.64	28.17	32.39
Selling & administrative Expenses 80%	3.79	4.90	5.84	6.65	7.68
Interest on working Capital	0.93902	0.93902	0.93902	0.93902	0.93902
Repair & maintenance	7.01	8.60	10.17	11.87	13.71
Packaging	7.37	9.03	10.68	12.47	14.40
Total Variable & Semi Variable Exp	156.30	187.69	221.36	258.44	297.96
Contribution	22.70	28.04	33.66	39.19	45.75
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.79	0.91	1.05	1.20	1.32
Wages & Salary at 40%	11.33	13.32	15.76	18.78	21.59
Interest on Term Loan	1.13	0.99	0.71	0.43	0.15
Depreciation	2.98	2.55	2.18	1.86	1.59
Selling & administrative Expenses 20%	0.95	1.23	1.46	1.66	1.92
Rent	3.60	4.32	5.18	6.22	7.15
Total Fixed Expenses	20.77	23.31	26.34	30.16	33.74
Capacity Utilization	35%	40%	45%	50%	55%
OPERATING PROFIT	1.93	4.73	7.32	9.03	12.02
BREAK EVEN POINT	32%	33%	35%	38%	41%
BREAK EVEN SALES	163.77	179.35	199.55	229.04	253.45

4.17. 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		9.25	10.48	12.69	15.75
Add:- Own Capital	3.02				
Add:- Retained Profit	1.93	4.73	6.71	8.06	10.22
Less:- Drawings	3.00	3.50	4.50	5.00	7.00
Subsidy/grant	7.30				
Closing Balance	9.25	10.48	12.69	15.75	18.97
Term Loan	10.19	7.65	5.10	2.55	-
Working Capital Limit	8.54	8.54	8.54	8.54	8.54
Sundry Creditors	2.70	3.25	3.83	4.47	5.16
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86
TOTAL :	31.08	30.41	30.75	32.03	33.53
<u>Assets</u>					
Fixed Assets (Gross)	20.85	20.85	20.85	20.85	20.85
Gross Dep.	2.98	5.52	7.70	9.56	11.16
Net Fixed Assets	17.87	15.33	13.15	11.29	9.69
Current Assets					
Sundry Debtors	5.85	7.17	8.48	9.89	11.43
Stock in Hand	6.34	7.56	8.86	10.28	11.83
Cash and Bank	1.03	0.36	0.27	0.56	0.58
TOTAL :	31.08	30.41	30.75	32.03	33.53

4.18. 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	3.02				
Net Profit	1.93	4.73	7.32	9.03	12.02
Depriciation & Exp. W/off	2.98	2.55	2.18	1.86	1.59
Increase in Cash Credit	8.54	-	-	-	-
Increase In Term Loan	11.47	-	-	-	-
Increase in Creditors	2.70	0.55	0.59	0.64	0.70
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	7.30				
TOTAL :	38.33	7.92	10.18	11.65	14.45
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	20.85				
Increase in Stock	6.34	1.22	1.30	1.43	1.55
Increase in Debtors	5.85	1.32	1.31	1.42	1.53
Repayment of Term Loan	1.27	2.55	2.55	2.55	2.55
Drawings	3.00	3.50	4.50	5.00	7.00
Taxation	-	-	0.61	0.97	1.80
TOTAL :	37.31	8.59	10.27	11.36	14.43
Opening Cash & Bank Balance	-	1.03	0.36	0.27	0.56
Add : Surplus	1.03	-0.67	-0.09	0.29	0.02
Closing Cash & Bank Balance	1.03	0.36	0.27	0.56	0.58

4.19. 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	4.91	7.27	8.89	9.93	11.81
Interest on Term Loan	1.13	0.99	0.71	0.43	0.15
Total	6.04	8.27	9.60	10.36	11.96
<u>REPAYMENT</u>					
Instalment of Term Loan	1.27	2.55	2.55	2.55	2.55
Interest on Term Loan	1.13	0.99	0.71	0.43	0.15
Total	2.40	3.54	3.26	2.98	2.70
DEBT SERVICE COVERAGE RATIO	2.51	2.33	2.94	3.48	4.43
AVERAGE D.S.C.R.	3.11				