



## **DETAILED PROJECT REPORT**

### **MOUTH FRESHNER UNIT**

### **UNDER PMFME SCHEME**



National Institute of Food Technology Entrepreneurship and Management

Ministry of Food Processing Industries

Plot No.97, Sector-56, HSIIDC, Industrial Estate, Kundli, Sonapat, Haryana-131028

Website: <http://www.niftem.ac.in>

Email: [pmfmecell@niftem.ac.in](mailto:pmfmecell@niftem.ac.in)

Call: 0130-2281089

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**1. PROJECT SUMMARY**

1. Name of the proposed project	:	Mouth Freshener Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	182400 Kg/annum(30,35,40,45&50% capacity utilization in 1 <sup>st</sup> to 5 <sup>th</sup> Year respectively)
4. Raw material	:	Plain Fennel, Dry Dates, Cardamom, Sugar Crystal, Mint Ball, Paraffin Oil, Sugar Coated Fennel.
5. Major product outputs	:	Mouth Freshener
6. Total project cost	:	Rs. 28.91 Lakh
• Land development, building & CivilConstruction	:	Nil
• Machinery andequipment's	:	Rs. 15.30 Lakh
• Miscellaneous Fixed Assets	:	Rs. 2.50 Lakh
• Working capital	:	Rs. 11.11 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 6.23 Lakh
• Promoter's contribution (min10%)	:	Rs. 2.88 Lakh
• Term loan	:	Rs. 9.79 Lakh
• Working Capital Requirement	:	Rs.10.00 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1 <sup>st</sup> year	:	Rs. 2.03 Lakh
• 2 <sup>nd</sup> year	:	Rs. 5.20 Lakh
• 3 <sup>rd</sup> year	:	Rs. 8.41 Lakh
• 4 <sup>th</sup> year	:	Rs. 11.33 Lakh
• 5th year	:	Rs. 15.02 Lakh
11. Average DSCR	:	Rs. 4.34
12. Term loan repayment	:	5 Years with 6 months grace period

## **2. ABOUT THE PRODUCT**

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

Mouth Freshener known as Mukhwas is an after-meal snack or digestive aid widely used as a mouth freshener. Unlike the common idea of mouth freshener which is associated with mint or mint sprays, mukhwas generally contain various seeds and nuts, like fennel seeds, anise seeds and sesame seeds to name a few. Mouth fresheners help freshen the breath, cover up bad odor and maintain good oral hygiene.

Indian meals are divided in multiple courses and is heavy in nature, therefore mukhwas/mouth fresheners become an essential part of the meal, as it acts both as a digestive aid after a heavy meal and breath freshener. Several Indian restaurants serve mukhwas after the meal.

### **2.2. MARKET POTENTIAL:**

The global mouth freshener market was worth USD 12.31 billion in 2018 and is expected to expand at a significant CAGR of 5.0% during the forecast period. Increasing awareness regarding oral care is among the prominent factors driving growth. Moreover, increasing the usage of tobacco and alcohol is propelling product demand.

Furthermore, the high consumption of junk food, tobaccos, and alcohol has led to an increase in oral problems such as plaque, stained teeth, and bad odor. For instance, according to the World Health Organization (WHO), half of the global population suffers from oral problems. This factor is anticipated to drive the adoption of mouth fresheners, which in turn is projected to drive the mouth freshener market growth.

### 2.3. RAW MATERIAL DESCRIPTION:

Following raw material is required as the major raw material for the mouth freshener manufacturing process.

- Plain Fennel
- Dry Dates
- Cardamom
- Sugar Crystal
- Mint Ball
- Parafin Oil
- Sugar coated Fennel

<b>S.N.</b>	<b>Particulars</b>	<b>Rate</b>
<b>1</b>	Plain Fennel	Rs. 90-110 Per KG
<b>2</b>	Dry Dates	Rs. 180-200 Per KG
<b>3</b>	Cardamom	Rs.1000 Per KG
<b>4</b>	Sugar crystals (Mishri)	Rs. 40-50 Per KG
<b>5</b>	Mint Ball	Rs. 300-350 Per KG
<b>6</b>	Parafin Oil	Rs.120-150 Per Liter

7	Sugar coated Fennel	Rs.160-170 Per KG
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Average raw material cost per 1 kg Packet of Mouth Freshener: Rs. 250-300

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

- Procurement of raw material.
- Grinding all the raw material which are required to be grinded.
- Putting all the ingredients into the mixer for mixing of ingredients.
- Sent the mixture into packaging section after mixing process.
- Packaging of raw material with the help of packaging machine.
- Marking of Batch number, Date of manufacturing and expiry date with the help of coding machine.
- Packaging of goods in carton.
- Transportation of goods according to market demand.



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

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

1. Production Capacity of Mouth Freshener is 100 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 10days and Finished goods Closing Stock hasbeen taken for 10 days.
4. Credit period to Sundry Debtors has been given for 7days.
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 12KW.
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 MOUTH FRESHENER**

#### **Items to be Manufactured**

Mouth Freshener

Machine capacity Per hour	80	Kg
Total working Hours	8	
Machine capacity Per Day	640	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	5%	
Raw material requirement	192000	Kg
Final Output per annum after wastage	182400	Kg
Final Product to be packed in 1 kg Packet		
Number of Cans per annum	182400	1 Kg Packet

### **Production of Mouth Freshener**

<b>Production</b>	<b>Capacity</b>	<b>KG</b>
1st year	30%	54,720
2nd year	35%	63,840
3rd year	40%	72,960
4th year	45%	82,080
5th year	50%	91,200



<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	30%	250.00	144.00
2nd year	35%	263.00	176.74
3rd year	40%	276.00	211.97
4th year	45%	290.00	250.56
5th year	50%	305.00	292.80






<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	-	1,824	2,128	2,432	2,736
Production	54,720	63,840	72,960	82,080	91,200
Less : Closing Stock	1,824	2,128	2,432	2,736	3,040
<b>Net Sale</b>	<b>52,896</b>	<b>63,536</b>	<b>72,656</b>	<b>81,776</b>	<b>90,896</b>
Sale price per packet	340.00	357.00	375.00	394.00	414.00
<b>Sales (in Lacs)</b>	<b>179.85</b>	<b>226.82</b>	<b>272.46</b>	<b>322.20</b>	<b>376.31</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
Vibro Separator	It's used for cleaning purpose of various granular material ranging from food grains to plastic pellets.	
Grading Machine	This machine is used to sort the given product as per their sizes, In most of the cases gravity separators are used	
Laser Sorter	It's a sorting machine used for sorting of various foreign agent from given product.	
Grinding Machine	This a simple grinder class machine which is used to grind the given set of material.	

<p>Dry Powder Mixer or Blender</p>	<p>It's a machine used to blend given set of raw materials in there powdered or fine granular state.</p>	
<p>Seasoning Machine</p>	<p>This machine is used to season the given product with appropriated seasonings</p>	
<p>Batch Coder</p>	<p>It's used to mark the batch &amp; product information over the given product packaging.</p>	
<p>Packing Machine(Filling and Sealing Machine)</p>	<p>This Machine is used for packaging mouth freshner in the desired quantity.</p>	
<p>Material handling and other Equipments</p>	<p>These are set of equipments which are used in various supporting roles in various operations of plant.</p>	

PM FME- Detailed Project Report of Mouth Freshener Unit

<b>Machine</b>	<b>Unit</b>	<b>Rate</b>	<b>Price</b>
Vibro Separator	1	90,000	90,000
Grading Machine	1	2,00,000	2,00,000
Laser Sorter	1	3,00,000	3,00,000
Grinding Machine	2	50,000	1,00,000
Dry Powder Mixer or Blender	1	80,000	80,000
Seasoning Machine	1	2,00,000	2,00,000
Batch Coder	1	30,000	30,000
Packing, Filling and Sealing Machine	1	2,30,000	2,30,000
Material handling and other equipments (Bins, trolley, conveyor, weighing balance, pumps, etc.)	-	3,50,000	3,50,000

**Note:** Total Machinery cost shall be Rs 15.30 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	15.30
Miscellaneous Assets	2.50
Working capital	11.11
<b>Total</b>	<b>28.91</b>

**4.7. MEANS OF FINANCE**

<b>MEANS OF FINANCE</b>	
<b>PARTICULARS</b>	<b>AMOUNT</b>
Own Contribution (min 10%)	2.88
Subsidy @35%(Max. Rs 10 Lac)	6.23
Term Loan @ 55%	9.79
Working Capital (Bank Finance)	10.00
<b>Total</b>	<b>28.91</b>

**4.8. TERM LOAN:** Term loan of Rs. 9.79 Lakh is required for project cost of Rs. 28.91 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	-	9.79	9.79	-	-	9.79
	2nd month	9.79	-	9.79	0.09	-	9.79
	3rd month	9.79	-	9.79	0.09	-	9.79
	4th month	9.79	-	9.79	0.09	-	9.79
	5th month	9.79	-	9.79	0.09	-	9.79
	6th month	9.79	-	9.79	0.09	-	9.79
	7th month	9.79	-	9.79	0.09	0.18	9.61
	8th month	9.61	-	9.61	0.09	0.18	9.43
	9th month	9.43	-	9.43	0.09	0.18	9.25
	10th month	9.25	-	9.25	0.08	0.18	9.06
	11th month	9.06	-	9.06	0.08	0.18	8.88
	12th month	8.88	-	8.88	0.08	0.18	8.70
					0.96	1.09	
<b>2nd</b>	Opening Balance						
	1st month	8.70	-	8.70	0.08	0.18	8.52
	2nd month	8.52	-	8.52	0.08	0.18	8.34

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	3rd month	8.34	-	8.34	0.08	0.18	8.16
	4th month	8.16	-	8.16	0.07	0.18	7.98
	5th month	7.98	-	7.98	0.07	0.18	7.80
	6th month	7.80	-	7.80	0.07	0.18	7.61
	7th month	7.61	-	7.61	0.07	0.18	7.43
	8th month	7.43	-	7.43	0.07	0.18	7.25
	9th month	7.25	-	7.25	0.07	0.18	7.07
	10th month	7.07	-	7.07	0.06	0.18	6.89
	11th month	6.89	-	6.89	0.06	0.18	6.71
	12th month	6.71	-	6.71	0.06	0.18	6.53
					<b>0.85</b>	<b>2.18</b>	
<b>3rd</b>	Opening Balance						
	1st month	6.53	-	6.53	0.06	0.18	6.35
	2nd month	6.35	-	6.35	0.06	0.18	6.16
	3rd month	6.16	-	6.16	0.06	0.18	5.98
	4th month	5.98	-	5.98	0.05	0.18	5.80
	5th month	5.80	-	5.80	0.05	0.18	5.62
	6th month	5.62	-	5.62	0.05	0.18	5.44
	7th month	5.44	-	5.44	0.05	0.18	5.26
	8th month	5.26	-	5.26	0.05	0.18	5.08
	9th month	5.08	-	5.08	0.05	0.18	4.90
	10th month	4.90	-	4.90	0.04	0.18	4.71
	11th month	4.71	-	4.71	0.04	0.18	4.53
	12th month	4.53	-	4.53	0.04	0.18	4.35

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				<b>0.61</b>	<b>2.18</b>	
<b>4th</b>	Opening Balance					
	1st month	4.35	-	4.35	0.04	4.17
	2nd month	4.17	-	4.17	0.04	3.99
	3rd month	3.99	-	3.99	0.04	3.81
	4th month	3.81	-	3.81	0.03	3.63
	5th month	3.63	-	3.63	0.03	3.44
	6th month	3.44	-	3.44	0.03	3.26
	7th month	3.26	-	3.26	0.03	3.08
	8th month	3.08	-	3.08	0.03	2.90
	9th month	2.90	-	2.90	0.03	2.72
	10th month	2.72	-	2.72	0.02	2.54
	11th month	2.54	-	2.54	0.02	2.36
	12th month	2.36	-	2.36	0.02	2.18
				<b>0.37</b>	<b>2.18</b>	
<b>5th</b>	Opening Balance					
	1st month	2.18	-	2.18	0.02	1.99
	2nd month	1.99	-	1.99	0.02	1.81
	3rd month	1.81	-	1.81	0.02	1.63
	4th month	1.63	-	1.63	0.01	1.45
	5th month	1.45	-	1.45	0.01	1.27
	6th month	1.27	-	1.27	0.01	1.09
	7th month	1.09	-	1.09	0.01	0.91
	8th month	0.91	-	0.91	0.01	0.73
	9th month	0.73	-		0.01	0.54

			0.73			
10th month	0.54	-	0.54	0.00	0.18	0.36
11th month	0.36	-	0.36	0.00	0.18	0.18
12th month	0.18	-	0.18	0.00	0.18	-
				<b>0.13</b>	<b>2.18</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>Finished Goods</b>						
	5.70	6.95	8.28	9.75	11.30	
<b>Raw Material</b>						
	4.80	5.89	7.07	8.35	9.76	
<b>Closing Stock</b>	<b>10.50</b>	<b>12.84</b>	<b>15.35</b>	<b>18.10</b>	<b>21.06</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	10.50					
Less : Creditors	3.36					
<b>Paid stock</b>	<b>7.14</b>	<b>10%</b>	<b>0.71</b>	<b>90%</b>	<b>6.43</b>	
<b>Sundry Debtors</b>	<b>4.20</b>	<b>10%</b>	<b>0.42</b>	<b>90%</b>	<b>3.78</b>	
	<b>11.34</b>		<b>1.13</b>		<b>10.21</b>	
<b>MPBF</b>					<b>10.21</b>	
<b>WORKING CAPITAL LIMIT DEMAND ( from Bank)</b>					<b>10.00</b>	
<b>Working Capital Margin</b>					<b>1.11</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	3	36,000
Unskilled (in thousand rupees)	8,500	3	25,500
<b>Total salary per month</b>			<b>1,09,500</b>
<b>Total annual labour charges</b>	<b>(in lacs)</b>		<b>13.14</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	6,000	1	6,000
Manager	20,000	1	20,000
Accountant	15,000	1	15,000
<b>Total salary per month</b>			<b>41,000</b>
<b>Total annual Staff charges</b>	<b>(in lacs)</b>		<b>4.92</b>

## 4.12 POWER REQUIREMENT

<b>Utility Charges (per month)</b>		
<b>Particulars</b>	<b>value</b>	<b>Description</b>
Power connection required	14 KWH	
consumption per day	112 units	
Consumption per month	2,800 units	
Rate per Unit	10 Rs.	
power Bill per month	28,000 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	15.30	2.50	17.80
Total	15.30	2.50	17.80
Less : Depreciation	2.30	0.25	2.55
<b>WDV at end of Year</b>	<b>13.01</b>	<b>2.25</b>	<b>15.26</b>
Additions During The Year	-	-	-
Total	13.01	2.25	15.26
Less : Depreciation	1.95	0.23	2.18
<b>WDV at end of Year</b>	<b>11.05</b>	<b>2.03</b>	<b>13.08</b>
Additions During The Year	-	-	-
Total	11.05	2.03	13.08
Less : Depreciation	1.66	0.20	1.86
<b>WDV at end of Year</b>	<b>9.40</b>	<b>1.82</b>	<b>11.22</b>
Additions During The Year	-	-	-
Total	9.40	1.82	11.22
Less : Depreciation	1.41	0.18	1.59
<b>WDV at end of Year</b>	<b>7.99</b>	<b>1.64</b>	<b>9.63</b>
Additions During The Year	-	-	-
Total	7.99	1.64	9.63
Less : Depreciation	1.20	0.16	1.36
<b>WDV at end of Year</b>	<b>6.79</b>	<b>1.48</b>	<b>8.26</b>

**4.14. REPAIR & MAINTENANCE:** Repair & Maintenance is 3 % 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>30%</b>	<b>35%</b>	<b>40%</b>	<b>45%</b>	<b>50%</b>	
<b><u>SALES</u></b>						
<b>Gross Sale</b>						
Mouth Freshener	179.85	226.82	272.46	322.20	376.31	
<b>Total</b>	<b>179.85</b>	<b>226.82</b>	<b>272.46</b>	<b>322.20</b>	<b>376.31</b>	
<b><u>COST OF SALES</u></b>						
Raw Material Consumed	144.00	176.74	211.97	250.56	292.80	
Electricity Expenses	3.36	3.86	4.44	5.11	5.62	
Depreciation	2.55	2.18	1.86	1.59	1.36	
Wages & labour	13.14	14.45	16.62	19.12	20.45	
Repair & maintenance	5.40	6.80	8.17	9.67	11.29	
Packaging	2.70	4.54	5.45	6.44	7.53	
<b>Cost of Production</b>	<b>171.14</b>	<b>208.57</b>	<b>248.52</b>	<b>292.49</b>	<b>339.05</b>	
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>5.70</b>	<b>6.95</b>	<b>8.28</b>	<b>9.75</b>	
<b>Less: Closing Stock /WIP</b>	<b>5.70</b>	<b>6.95</b>	<b>8.28</b>	<b>9.75</b>	<b>11.30</b>	
Cost of Sales	165.43	207.32	247.19	291.02	337.50	
<b>GROSS PROFIT</b>	<b>14.41</b>	<b>19.50</b>	<b>25.27</b>	<b>31.18</b>	<b>38.81</b>	
	<b>8.01%</b>	<b>8.60%</b>	<b>9.28%</b>	<b>9.68%</b>	<b>10.31%</b>	
Salary to Staff	4.92	5.46	6.28	7.22	8.31	
Interest on Term Loan	0.96	0.85	0.61	0.37	0.13	
Interest on working Capital	1.10	1.10	1.10	1.10	1.10	
Rent	3.60	3.96	4.36	4.79	5.27	
selling & adm exp	1.80	2.72	3.51	4.19	5.23	
<b>TOTAL</b>	<b>12.38</b>	<b>14.09</b>	<b>15.86</b>	<b>17.67</b>	<b>20.04</b>	
<b>NET PROFIT</b>	<b>2.03</b>	<b>5.41</b>	<b>9.41</b>	<b>13.50</b>	<b>18.77</b>	
	<b>1.13%</b>	<b>2.38%</b>	<b>3.46%</b>	<b>4.19%</b>	<b>4.99%</b>	
Taxation	-	0.21	1.01	2.18	3.76	
<b>PROFIT (After Tax)</b>	<b>2.03</b>	<b>5.20</b>	<b>8.41</b>	<b>11.33</b>	<b>15.02</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>	179.85	226.82	272.46	322.20	376.31
Less : Op. WIP Goods	-	5.70	6.95	8.28	9.75
Add : Cl. WIP Goods	5.70	6.95	8.28	9.75	11.30
<b>Total Sales</b>	<b>185.55</b>	<b>228.07</b>	<b>273.79</b>	<b>323.66</b>	<b>377.86</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material Consumed	144.00	176.74	211.97	250.56	292.80
Electricity Exp/Coal Consumption at 85%	2.86	3.28	3.78	4.34	4.78
Wages & Salary at 60%	10.84	11.95	13.74	15.80	17.26
Selling & administrative Expenses 80%	1.44	2.18	2.81	3.35	4.18
Interest on working Capital	1.1	1.1	1.1	1.1	1.1
Repair & maintenance	5.40	6.80	8.17	9.67	11.29
Packaging	2.70	4.54	5.45	6.44	7.53
<b>Total Variable &amp; Semi Variable Exp</b>	<b>168.32</b>	<b>206.59</b>	<b>247.02</b>	<b>291.27</b>	<b>338.93</b>
<b>Contribution</b>	<b>17.23</b>	<b>21.48</b>	<b>26.77</b>	<b>32.40</b>	<b>38.93</b>
<b>Fixed &amp; Semi Fixed Expenses</b>					
Electricity Exp/Coal Consumption at 15%	0.50	0.58	0.67	0.77	0.84
Wages & Salary at 40%	7.22	7.97	9.16	10.54	11.50
Interest on Term Loan	0.96	0.85	0.61	0.37	0.13
Depreciation	2.55	2.18	1.86	1.59	1.36
Selling & administrative Expenses 20%	0.36	0.54	0.70	0.84	1.05
Rent	3.60	3.96	4.36	4.79	5.27
<b>Total Fixed Expenses</b>	<b>15.19</b>	<b>16.07</b>	<b>17.36</b>	<b>18.89</b>	<b>20.16</b>
<b>Capacity Utilization</b>	<b>30%</b>	<b>35%</b>	<b>40%</b>	<b>45%</b>	<b>50%</b>
<b>OPERATING PROFIT</b>	<b>2.03</b>	<b>5.41</b>	<b>9.41</b>	<b>13.50</b>	<b>18.77</b>
<b>BREAK EVEN POINT</b>	<b>26%</b>	<b>26%</b>	<b>26%</b>	<b>26%</b>	<b>26%</b>
<b>BREAK EVEN SALES</b>	<b>163.66</b>	<b>170.64</b>	<b>177.50</b>	<b>188.74</b>	<b>195.64</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		9.14	11.85	15.25	19.58	
Add:- Own Capital	2.88					
Add:- Retained Profit	2.03	5.20	8.41	11.33	15.02	
Less:- Drawings	2.00	2.50	5.00	7.00	10.00	
Subsidy/grant	6.23					
Closing Balance	9.14	11.85	15.25	19.58	24.60	
Term Loan	8.70	6.53	4.35	2.18	-	
Working Capital Limit	10.00	10.00	10.00	10.00	10.00	
Sundry Creditors	3.36	4.12	4.95	5.85	6.83	
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86	
<b>TOTAL :</b>	<b>31.61</b>	<b>33.00</b>	<b>35.15</b>	<b>38.32</b>	<b>42.29</b>	
<b><u>Assets</u></b>						
<b>Fixed Assets ( Gross)</b>	17.80	17.80	17.80	17.80	17.80	
Gross Dep.	2.55	4.72	6.58	8.17	9.54	
<b>Net Fixed Assets</b>	<b>15.26</b>	<b>13.08</b>	<b>11.22</b>	<b>9.63</b>	<b>8.26</b>	
<b>Current Assets</b>						
Sundry Debtors	4.20	5.29	6.36	7.52	8.78	
Stock in Hand	10.50	12.84	15.35	18.10	21.06	
Cash and Bank	1.65	1.78	2.22	3.08	4.19	
<b>TOTAL :</b>	<b>31.61</b>	<b>33.00</b>	<b>35.15</b>	<b>38.32</b>	<b>42.29</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	2.88					
Net Profit	2.03	5.41	9.41	13.50	18.77	
Depriciation & Exp. W/off	2.55	2.18	1.86	1.59	1.36	
Increase in Cash Credit	10.00	-	-	-	-	
Increase In Term Loan	9.79	-	-	-	-	
Increase in Creditors	3.36	0.76	0.82	0.90	0.99	
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14	
Sunsidy/grant	6.23					
<b>TOTAL :</b>	<b>37.24</b>	<b>8.45</b>	<b>12.20</b>	<b>16.12</b>	<b>21.26</b>	
<b><u>APPLICATION OF FUND</u></b>						
Increase in Fixed Assets	17.80					
Increase in Stock	10.50	2.34	2.51	2.75	2.96	
Increase in Debtors	4.20	1.10	1.06	1.16	1.26	
Repayment of Term Loan	1.09	2.18	2.18	2.18	2.18	
Drawings	2.00	2.50	5.00	7.00	10.00	
Taxation	-	0.21	1.01	2.18	3.76	
<b>TOTAL :</b>	<b>35.59</b>	<b>8.32</b>	<b>11.75</b>	<b>15.26</b>	<b>20.16</b>	
Opening Cash & Bank Balance	-	1.65	1.78	2.22	3.08	
Add : Surplus	1.65	0.13	0.44	0.85	1.11	
Closing Cash & Bank Balance	<b>1.65</b>	<b>1.78</b>	<b>2.22</b>	<b>3.08</b>	<b>4.19</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	4.58	7.38	10.27	12.92	16.38
Interest on Term Loan	0.96	0.85	0.61	0.37	0.13
<b>Total</b>	<b>5.54</b>	<b>8.23</b>	<b>10.88</b>	<b>13.29</b>	<b>16.51</b>
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	1.09	2.18	2.18	2.18	2.18
Interest on Term Loan	0.96	0.85	0.61	0.37	0.13
<b>Total</b>	<b>2.05</b>	<b>3.02</b>	<b>2.78</b>	<b>2.54</b>	<b>2.31</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.70</b>	<b>2.72</b>	<b>3.91</b>	<b>5.22</b>	<b>7.16</b>
<b>AVERAGE D.S.C.R.</b>	<b>4.34</b>				