

DETAILED PROJECT PROFILE

on

READY-TO-EAT (RTE) SNACKS

Submitted by:

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CHAPTER - I

PROJECT SUMMARY

1	Name of the Firm	:	
2	Constitution	:	Proprietorship Firm
3	Proprietor	:	
4	Address	:	
5	Size of Plot	:	200 Sq. mts.
6	Location	:	
7	Covered Area	:	1200 Sq. ft.
8	Proposed Project to be set-up	:	Ready-to-eat (RTE) Snacks
9	Type of Industry	:	Manufacturing
10	Major Raw Materials	:	Soya,Wheat,Rice,Corn,Veg.oils
11	Power Load	:	15 HP
12	Employment	:	20 Persons
13	Total Cost of the Project	:	(Rs.in Lakh)
a.	Premises	:	Owned
b.	Machinery & Equipment	:	24.00
c.	Misc.Fixed Assets	:	5.65
d.	Pre-liminary and Pre-operative expenses	:	0.23
e.	Security Depsits with Departments/Others.	:	0.25
f.	Margin Money for Working Capital	:	5.96
Total		:	Rs. 36.08 Lakh

14	Means of Finance	:		
a.	Term Loan from Bank	:		22.47
b.	PM FME Subsidy		10.00	
	Promoter's Contribution		<u>3.61</u>	13.61
	Total	:	Rs.	36.08 Lakh
	I			

15	Annual Profitability (at 60 % efficiency)	:		
a.	Annual Revenues	:	Rs.	139.50 Lakh
b.	Profit before tax	:	Rs.	7.55 Lakh
c.	Percentage Profit	:		5.41 %
d.	Annual Return on Investment	:		20.92 %
e.	Average Break-even-Point	:		74.13 %
f.	Debt-service Coverage Ratio	:		2.03

2. INTRODUCTION:

Extrusion has provided a means of manufacturing new and novel products and has revolutionized many conventional snack manufacturing processes. Extrusion equipment offers many basic design advantages that result in minimizing time, energy, and cost while at the same time introducing a degree of versatility and flexibility that was not previously available. Many common snack foods such as fried or baked collettes (corn curls) are corn based and produced on rather simple single-screw high pressure extrusion cookers. Other snack products (for example, half products or third-generation products) may require more sophisticated twin-screw extrusion equipment.

Extruded foods in India can play an important role in Snack foods/breakfast cereals can be produced at cheaper rate than conventional methods. Great potential to produce variety of new foods. Providing better nutrition can be easily done by extrusion. It is possible to produce snacks with less oil content especially traditional fried foods. Cost of snacks can be brought down. Legume based snack foods and soya nuggets which are health foods can be manufactured at a low cost. Consumers today are demanding an ever-broadening selection of snack foods.

Changing eating habits of the masses have played an integral role in driving sales across the global ready-to-eat snacks market. Presence of a seamless retail sector, coupled with increasing demand for evening snacks, has aided market growth. There is a peculiar sense of liking for ready-to-eat snacks amongst large groups of consumers. Besides, several people replace their regular meals with snacks for the ease of consuming the latter. The aforementioned trends are indicative of accelerated growth across the global ready-to-eat snacks market. The market players are making serious efforts to manufacture new types of snacks that are healthier, tastier, and more economical to buy.

Consumption of ready-to-eat snacks at picnics, informal gatherings, and parties has become an established trend. Besides, several new types of snacks such as fries, nachos, baked beans, and high-fibre biscuits are available across retail outlets. The efficiency of retail outlets in selling out new types of snacks has majorly helped market vendors in upping their revenues. The presence of several local sellers of ready-to-eat snacks has also played to the advantage of the market players. In this scenario, it is safe to expect that new vendors would want to utilize the lucrative opportunities floating across the market. However, ready-to-eat snacks require intense research and development before they can be put to manufacturing.

The trend of manufacturing healthy, protein-rich, and non-fried snacks has gathered momentum in recent times. People have been quite receptive to the idea of consuming non-fried and high-protein snacks, majorly to cultivate healthy habits. Furthermore, availability of protein chips in various flavors has also helped in attracting a larger consumer base. Innovation and perpetual development are the watchwords for vendors operating in the global ready-to-eat snacks market. It is worthwhile to analyze the business strategies of the leading players currently operating in the market.

Therefore, processing of Ready-to-eat snacks especially offers huge scope for entrepreneurship development at micro or small scale level through government schemes such as PM Formalization of Micro Food Processing Enterprises Scheme of MoFPI, Government of India.

Variety of Ready-to-eat Snacks

1st Generation Snacks: Simply extruded snacks

Snack extruders are generally divided into two major categories:

- (1) single-screw and
- (2) twin screw.

Single-screw extruders may be divided into four subcategories:

- low-shear forming;
- low-shear cooking;
- medium-shear cooking; and
- high-shear cooking.

Twin-screw extruders may be divided into several subcategories: co rotating intermeshing; co rotating non intermeshing; counter rotating intermeshing; counter rotating non intermeshing; and conical intermeshing.

In the past, the most popular and successful extruders in the snack food production plant have been the single-screw extruders; and there are many applications today where these extruders are ideal from an economic point of view. However, in recent years the twin-screw extruder has begun to challenge the dominance of the single-screw extruder for snack food production. The food extruder must exercise a number of functions in a short time under controlled, continuous or steady-state operating conditions. These functions may include heating, cooling, conveying, feeding, compressing, reacting, mixing, melting, cooking, texturing, and shaping.

Convenience food (RTE) is a concept that is prevalent in the developed world since long, while its inception into the Indian market has been recent. With the changing socio-economic pattern of life and the increasing number of working couples, the concept is fast becoming popular in Indian market. This type of food is becoming popular because it saves time and labour. This food has extended shelf-life and is available off the market shelves.

The Central Sector scheme for Formalization of Micro Enterprises in food processing sector under Ministry of Food Processing Industries is an important scheme useful for formalization and mainstreaming the unorganized home based or micro food processing units. The scheme is useful for expansion of the existing units in terms of capacity and technology through installation of new machineries and additional civil infrastructures.

Designing snack foods today can be a complex process to meet changing consumer's taste and expectation, for example, 'good for your health,' 'rich source of protein,' 'offering a unique flavour,' and the elusive search for something unique that also appeals to a wide variety of people. Most snack manufacturers use some form of existing technology as the basis for creating snack products, but incorporate variations that increase the resulting snack's health image appeal by lowering fats and calories or adding nutrients.

An entrepreneur can use this model DPR template and modify according to his/her need in terms of capacity, location, raw materials availability etc.

Form of the Business Enterprise

The entrepreneur concerned must specify about the form of his/her business organization i.e. whether

Sole Proprietorship, Cooperative, FPO/FPC, SHG Federation, Partnership Firm or Company and accordingly attach all the required documents. The documents may be registration certificate, share holding pattern, loan approval certificate etc as specified in the FME scheme guidelines.

Background of the Promoters/Owners and Required Documents

The detailed bio-data of promoter/promoters inter-alia name, fathers name, age, qualification, business experience, training obtained, contact number, email, office address, permanent address, share holding pattern, definite sources of meeting the commitment of promoters contribution, details of others business along with certified balance sheet and profit loss account for the last 3- 4 years, tax registration, PAN number, income tax return etc for 3-4 years and other requirements as specified in the FME guidelines must be provided with the DPR.

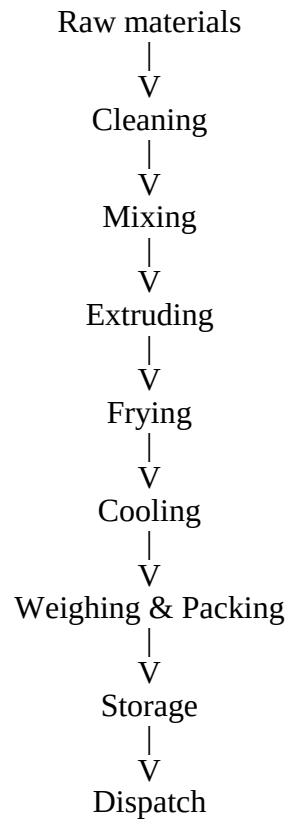
Background of the Proposed Project

The entrepreneur must specify whether it is a new project or expansion of the existing project. If new project is proposed then the reason to go in to the project and if expansion of the existing project, the must specify what kind of expansion is proposed in terms of capacity, product, machines, civil infrastructure etc.

Location of the Proposed Project and Land

The entrepreneur must provide description of the proposed location, site of the project, distance from the targeted local and distant markets; and the reasons/advantages thereof i.e. in terms of raw materials availability, market accessibility, logistics support, basic infrastructure availability etc. The entrepreneur must mention whether project is proposed in self owned land or rented/allotted land in any industrial park or private location. Accordingly, he/she must provide ownership document, allotment letter/ lease deed. Land clearance certificate must be from village authority/municipality or any other concerned authority.

PROCESS FLOW
CHART



ECONOMICS OF THE PROJECT

a BASIS OF PRESUMPTIONS :

No.of Working Days per Annum	:	300
No.of Working Shift(s) per day	:	Single
No.of Working Hours per shift	:	8

b PRODUCT(S) MIX, CAPACITY & ITS UTILISATION:

	<i>Product</i>	<i>Units</i>	<i>Qty.</i>	<i>Average Selling Price (Rs./Unit)</i>	<i>Amount, (Rs.in Lakh)</i>	
	Ready-to-eat (RTE) Snacks					
1	Friams	120 Pouch	Bags	30000	460.00	138.00
2	Puffs	84 Pouch	Boxes	30000	315.00	94.50
			Boxes	60000		232.50
	Capacity Utilisation			:		

First Year of operation	:	60	%
Second Year of operation	:	65	%
Third Year of operation	:	70	%
Fourth Year of operation	:	75	%
Fifth Year & onwards years of operation	:	80	%

c	<u>PREMISES</u>	:		
	a	Plot Size	:	200 Sq. mts.
	b	Location	:	
	b	Covered Area	:	1200 Sq. ft.

d MACHINERY AND EQUIPMENT:

<i>S.No.</i>	<i>Description</i>	<i>Qty. Nos.</i>	<i>Rate (Rs.Lakh)</i>	<i>Amount (Rs.in Lakh)</i>
1	Extruder	1	3.50	3.50
2	Roaster	1	1.00	1.00
3	Mixer	1	1.00	1.00
4	Raw Material Mixer	1	1.00	1.00
5	Automatic Form, Fill & Seal Machine	1	4.50	4.50
6	Cylinders	54	0.15	8.10
7	Weighing Machine			0.20
8	Storage Racks			0.50
9	Misc. tools & tackles			0.20
				20.00
The cost of Installation, Erection, Commissioning Taxes, Freight, Insurance etc.		20%		4.00
Total			Rs.	24.00 Lakh

e MISC. FIXED ASSETS :

Additionally, following misc.fixed assets are also required for the proposed project:

					<i>(Rs.in Lakh)</i>
a.	Standby Gen Set	15	KVA	:	2.00
b.	Electrification Expenses and Electrical Equipments			:	0.75
c.	Office Furniture and Equipments			:	0.75
d.	Fire Fighting & Other Safety Equipments			:	1.50
e.	Material Handling Trolleys etc.			:	0.40
f.	Misc.			:	0.25
Total					Rs. 5.65 Lakh

h **TERM LOAN**

: **Rs. Lakh**

<i>S.No.</i>	<i>Description</i>	<i>Value</i>	<i>Term Loan</i>	
1).	Premises	Owned		
2).	Machinery & Equipment	24.00	80 %	19.20
3).	Misc.Fixed Assets	5.65	80 %	4.52
Term Loan Eligibility		29.65	Rs.	23.00 Lakh
Term Loan to be applied for			Rs.	22.47 Lakh

i **TERM LOAN, ITS REPAYMENT AND INTEREST SCHEDULE**

Term Loan : Rs. 22.47 Lakh
Repayment Period 4.5 Years
Moratorium Period 6 months
Annual Interest Rate 10.50 %

<i>Year/Month</i>	<i>Opening Balance</i>	<i>Principle Repayment</i>	<i>Closing Balance</i>	<i>Interest</i>
Ist Year				
1	2247000	0	2247000	19661
2	2247000	0	2247000	19661
3	2247000	0	2247000	19661
4	2247000	0	2247000	19661
5	2247000	0	2247000	19661
6	2247000	0	2247000	19661
7	2247000	41611	2205389	19479
8	2205389	41611	2163778	19115
9	2163778	41611	2122167	18751
10	2122167	41611	2080556	18387
11	2080556	41611	2038944	18023
12	2038944	41611	1997333	<u>17659</u>
			249667	229381
2nd Year				
1	1997333	41611	1955722	17295
2	1955722	41611	1914111	16931
3	1914111	41611	1872500	16566
4	1872500	41611	1830889	16202
5	1830889	41611	1789278	15838
6	1789278	41611	1747667	15474
7	1747667	41611	1706056	15110
8	1706056	41611	1664444	14746
9	1664444	41611	1622833	14382
10	1622833	41611	1581222	14018
11	1581222	41611	1539611	13654
12	1539611	<u>41611</u>	1498000	<u>13290</u>
			499333	183505

i **TERM LOAN, ITS REPAYMENT AND INTEREST SCHEDULE**
(Contd....)

<i>Year/Mon th</i>		<i>Opening Balance</i>	<i>Principle Repayment</i>	<i>Closing Balance</i>	<i>Interest</i>
3rd Year	1	1498000	4161 1	1456389	12925
	2	1456389	4161 1	1414778	12561
	3	1414778	4161 1	1373167	12197
	4	1373167	4161 1	1331556	11833
	5	1331556	4161 1	1289944	11469
	6	1289944	4161 1	1248333	11105
	7	1248333	4161 1	1206722	10741
	8	1206722	4161 1	1165111	10377
	9	1165111	4161 1	1123500	10013
	10	1123500	4161 1	1081889	9649
	11	1081889	4161 1	1040278	9284
	12	1040278	4161 1	998667	8920
				499333	131075
4th Year	1	998667	4161 1	957056	8556
	2	957056	4161 1	915444	8192
	3	915444	4161 1	873833	7828
	4	873833	4161 1	832222	7464
	5	832222	4161 1	790611	7100
	6	790611	4161 1	749000	6736
	7	749000	4161 1	707389	6372
	8	707389	4161 1	665778	6008
	9	665778	4161 1	624167	5644
	10	624167	4161 1	582556	5279
	11	582556	4161 1	540944	4915
	12	540944	4161 1	499333	4551
				499333	78645

i **TERM LOAN, ITS REPAYMENT AND INTEREST SCHEDULE**
(Contd....)

<i>Year/Mon th</i>		<i>Opening Balance</i>	<i>Principle Repayment</i>	<i>Closing Balance</i>	<i>Interest</i>
5th Year	1	499333	4161 1	457722	4187
	2	457722	4161 1	416111	3823
	3	416111	4161 1	374500	3459
	4	374500	4161 1	332889	3095
	5	332889	4161 1	291278	2731
	6	291278	4161 1	249667	2367
	7	249667	4161 1	208056	2003
	8	208056	4161 1	166444	1638
	9	166444	4161 1	124833	1274
	10	124833	4161 1	83222	910
	11	83222	4161 1	41611	546
	12	41611	<u>4161</u> 1	0	<u>182</u>
			499333		26215

k RECURRING EXPENSES

(Rs. in Lakh)

			1st Yr.	2nd Yr.	3rd Yr.	4th Yr.	5th Yr.
	Days						
a.	Consumables	6	1.81	1.96	2.12	2.27	2.42
	Bank Finance	75%	1.36	1.47	1.59	1.70	1.81
b.	Work in progress	2	0.68	0.74	0.80	0.85	0.91
	Bank Finance	75%	0.51	0.55	0.60	0.64	0.68
c.	Finished Goods in Stock	3	1.19	1.19	1.31	1.41	1.52
	Bank Finance	75%	0.89	0.89	0.98	1.06	1.14
d.	Accounts Receivables	15	6.98	7.56	8.14	8.72	9.30
	Bank Finance	60%	4.19	4.53	4.88	5.23	5.58
e.	Misc.Expenses	30	2.85	3.24	3.54	3.85	4.18
	Bank Finance	0%	0.00	0.00	0.00	0.00	0.00
	Total		13.51	14.69	15.89	17.10	18.33
	Less:SundryCreditors	2	0.60	0.65	0.71	0.76	0.81
	Recurring Expenses		12.90	14.03	15.19	16.34	17.52
	Bank Finance		6.95	7.46	8.05	8.63	9.21
	Margin Money		5.96	6.58	7.14	7.71	8.31

k **STAFF & LABOUR REQUIREMENTS AND ANNUAL SALARIES/WAGES BILL**

<i>S.No.</i>	<i>Designation</i>	<i>Nos.</i>	<i>Rate p.m. (Rs.)</i>	<i>Amount (Rs.in Lakh)</i>	
a.	<u>Office Staff</u>				
1	Accountant	1	15000	1.80	
2	Sales & Marketing	6	12000	8.64	
3	Peon/Watchman	2	10000	<u>2.40</u>	12.84
		9			
b.	<u>Supervisory</u>				
		1	25000	<u>3.00</u>	3.00
c.	<u>Workers</u>				
1	Skilled Operators	2	15000	3.60	
2	Semi-skilled Workers	4	12000	5.76	
3	Unskilled Labour	4	10000	<u>4.80</u>	14.16
		10		30.00	
	10% benefits			3.00	
		20	Rs.	33.00	Lakh

Note:- More than 75% of local persons to be employed

I **ANNUAL COST OF RAW MATERIALS, CONSUMABLES
& PACKAGING MATERIALS** (at 100% efficiency)

Following Raw Materials, Consumables & Packaging materials are required for the proposed project:

S.No.	Description		
1	Soya	}	
2	Wheat Products (Sooji, Maida etc.)	}	
3	Rice	}	
4	Corn Grit	}	
5	Vegetable Oil	}	
6	Salt	}	60.00 %
7	Spices	}	of sales value
8	Misc.Consumables		
9	Packing Materials such as	}	
	Flexible Printed Tubular	}	
	Film	}	5.00 %
	HDPE/PP Woven Sacks		
	Printed	}	of sales value
	Cartons	}	
	BOPP Tape	}	
	etc.		
	strapping belt, doughler etc.		
Cost of raw materials, consumables and packing materials is assumed at 65.00 % of annual revenues.			
		Total	Rs. 151.13 Lakh

Year-wise cost of Raw Materials, Consumables & Packing Materials:

Rs. in Lakh

1st Yr.	2nd Yr.	3rd Yr.	4th Yr.	5th Yr.
90.68	98.23	105.79	113.34	120.90

m ANNUAL COST OF UTILITIES (POWER & WATER)

(at 100% efficiency)

a. Power

Total Load		15	HP		
		11	KW		
Consumption		$\frac{\text{Load} \times 8 \times 300 \times 0.75}{\text{Hrs.} \times \text{Days} \times \text{Power Factor}}$			
Source:		20142	KWH		
Govt.	75%	15106.5	KWH		
Rate	Rs.	9.00	KWH	1.36	Lakh
Generator	25%	5035.5	KWH		
Rate	Rs.	15.00	KWH	<u>0.76</u>	Lakh
Total Power Bill		Rs.	2.11	Lakh	

b. Water

Water	300	KL			
@ Rs.	25.00	per KL			
	Rs.	0.08	Lakh		

Total Power & Water Bill 2.19 Lakh
Rs.

n

: Rs. 24.00 Lakh

: Rs. 5.65 Lakh

S.No.	Description		1st Yr.	2nd Yr.	3rd Yr.	4th Yr.	5th Yr.
1).	Machinery & Equipment		24.00	20.40	17.34	14.74	12.53
	Depreciation rate	15%	<u>3.60</u>	<u>3.06</u>	<u>2.60</u>	<u>2.21</u>	<u>1.88</u>
			20.40	17.34	14.74	12.53	10.65
2).	Misc.Fixed Assets		5.65	4.80	4.08	3.47	2.95
	Depreciation rate	15%	<u>0.85</u>	<u>0.72</u>	<u>0.61</u>	<u>0.52</u>	<u>0.44</u>
			4.80	4.08	3.47	2.95	2.51
Total Depreciation			4.45	3.78	3.21	2.73	2.32

o REPAIRS & MAINTENANCE

<i>S.No.</i>	<i>Description</i>	<i>1st Yr.</i>	<i>2nd Yr.</i>	<i>3rd Yr.</i>	<i>4th Yr.</i>	<i>5th Yr.</i>
1).	Machinery & Equipment Repairs/Maintenance	24.00	20.40	17.34	14.74	12.53
	Rate (%)	0.50	1.00	1.50	2.00	2.50
	Amount (Rs.Lakh)	0.12	0.20	0.26	0.29	0.31
2).	Misc.Fixed Assets Repairs/Maintenance	5.65	4.80	4.08	3.47	2.95
	Rate (%)	0.50	1.00	1.50	2.00	2.50
	Amount (Rs.Lakh)	0.03	0.05	0.06	0.07	0.07
Total		0.15	0.25	0.32	0.36	0.39

p INSURANCE

The fixed assets of the project will be insured for all types of risks. Annual insurance Charges payable shall be as under:-

<i>S.No.</i>	<i>Description</i>	<i>1st Yr.</i>	<i>2nd Yr.</i>	<i>3rd Yr.</i>	<i>4th Yr.</i>	<i>5th Yr.</i>
1).	Machinery & Equipment	24.00	20.40	17.34	14.74	12.53
2).	Misc.Fixed Assets	<u>5.65</u>	<u>4.80</u>	<u>4.08</u>	<u>3.47</u>	<u>2.95</u>
	Total	29.65	25.20	21.42	18.21	15.48
	Insurance Charges:					
	Rate (%)	1.00	1.50	2.00	2.50	3.00
	Amount (Rs.Lakh)	0.30	0.38	0.43	0.46	0.46

q MARKETING EXPENSES

Marketing Expenses include brokerage, commission, discounts etc.

These are assumed at 2.50 percent of revenues

		<i>Rs.Lakh</i>				
Year		<i>1st Yr.</i>	<i>2nd Yr.</i>	<i>3rd Yr.</i>	<i>4th Yr.</i>	<i>5th Yr.</i>
Revenues		139.50	151.13	162.75	174.38	186.00
Rate	(%)	2.50	2.50	2.50	2.50	2.50
Selling Exps.		3.49	3.78	4.07	4.36	4.65

r **PROJECTIONS OF PERFORMANCE AND PROFITABILITY STATEMENT**

(Rs.in Lakh)

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Capacity Utilisation (%)	60	65	70	75	80
A. Annual Revenues					
Value Rs.Lakh (% increase over last year)	139.50	151.13 8.33	162.75 7.69	174.38 7.14	186.00 6.67
B. Expenses					
a. Raw Materials, Consum- ables & Packing Materials	90.68	98.23	105.79	113.34	120.90
b. Power/Water	1.31	1.42	1.53	1.64	1.75
c. Salaries & Wages*					
Salaries	17.42	19.17	21.08	23.19	25.51
Wages	9.35	11.14	11.99	12.85	13.71
d. Repairs & Maintenance	0.15	0.25	0.32	0.36	0.39
e. Insurance	0.30	0.38	0.43	0.46	0.46
f. Depreciation	<u>4.45</u>	<u>3.78</u>	<u>3.21</u>	<u>2.73</u>	<u>2.32</u>
	123.65	134.37	144.36	154.58	165.04
Expenses	123.65	134.37	144.36	154.58	165.04
* 10% increase every year					

r **PROJECTIONS OF PERFORMANCE AND PROFITABILITY STATEMENT**
 (Contd.)

	(Rs.in Lakh)				
	1st	2nd	3rd	4th	5th
	Year	Year	Year	Year	Year
Capacity Utilisation (%)	60	65	70	75	80
C. Gross Profit	15.85	16.76	18.39	19.80	20.96
Selling Expenses	3.49	3.78	4.07	4.36	4.65
Overheads@	1.74	1.89	2.03	2.18	2.33
Preliminary & Pre-operative Expenses w/off	0.05	0.05	0.05	0.05	0.05
<u>Financial Expenses:</u>					
a. Interest on term loan	2.29	1.84	1.31	0.79	0.26
b. Interest on Working Capital Loan	0.73	0.78	0.84	0.91	0.97
@ 10.50 % p.a.					
D. Profit (before taxes)	7.55	8.43	10.09	11.52	12.71
E. Provision for Taxes 30.90%	2.33	2.60	3.12	3.56	3.93
F. Profit (after taxes)	5.22	5.82	6.97	7.96	8.78
Depreciation, added back	4.45	3.78	3.21	2.73	2.32
G. Cash Accruals	9.66	9.60	10.18	10.69	11.10
@ Telephone Bills, Postage/Courier Exps., Travelling/Conveyance, Bank Charges/Commissions, Publicity etc. considered at 1.25 percent of revenues.					

s **BREAK-EVEN-EFFICIENCY
ANALYSIS**

	(Rs.in Lakh)				
	1st Year	2nd Year	3rd Year	4th Year	5th Year
Capacity Utilisation (%)	60	65	70	75	80
A. Revenues	139.50	151.13	162.75	174.38	186.00
B. Variable Costs					
a. Raw Materials, Consum- ables & Packing Materials	90.68	98.23	105.79	113.34	120.90
b. Power/Water	1.31	1.42	1.53	1.64	1.75
c. Wages	9.35	11.14	11.99	12.85	13.71
d. Intt.on working capital loan	0.73	0.78	0.84	0.91	0.97
e. Marketing Expenses	3.49	3.78	4.07	4.36	4.65
To tal	105.55	115.35	124.23	133.10	141.98
C. Fixed Costs					
a. Salaries	17.42	19.17	21.08	23.19	25.51
b. Admn. Overheads	1.74	1.89	2.03	2.18	2.33
c. Repairs & Maintenance	0.15	0.25	0.32	0.36	0.39
d. Insurance	0.30	0.38	0.43	0.46	0.46
e. Interest on term loan	2.29	1.84	1.31	0.79	0.26
f. Depreciation	4.45	3.78	3.21	2.73	2.32
To tal	26.35	27.30	28.39	29.71	31.27
D. Contribution	33.95	35.77	38.52	41.27	44.02
E. Break-even-efficiency(%)	77.63	76.32	73.70	71.98	71.03
Average Break-even-efficiency			74.13		

CASH FLOW STATEMENT*(Rs.in Lakh)*

	1st Year	2nd Year	3rd Year	4th Year	5th Year
A. Sources of Funds					
1.Increase in share Captial	13.61	0.62	0.56	0.57	0.59
2.Increase in Term Loan	22.47	0.00	0.00	0.00	0.00
3.Increase in Working Capital Borrowings	6.95	0.51	0.59	0.58	0.58
4.Profits before tax with interest added back	10.57	11.04	12.24	13.21	13.94
5.Preliminary Exps.w/off	0.05	0.05	0.05	0.05	0.05
6.Depreciation	4.45	3.78	3.21	2.73	2.32
	58.10	16.00	16.65	17.15	17.48
B. Disposition of Funds					
1.Preliminary & Pre- operative Expenses	0.23	0.00	0.00	0.00	0.00
2.Increase in Capital Expenditure	29.90	0.00	0.00	0.00	0.00
3.Increase in Current Assets	12.90	1.13	1.15	1.16	1.18
4.Decrease in Term Loan	2.50	4.99	4.99	4.99	4.99
5. Interests	3.02	2.62	2.16	1.69	1.23
6. Taxes	2.33	2.60	3.12	3.56	3.93
	50.88	11.34	11.42	11.40	11.33
C. Opening Balance	0.00	7.21	11.87	17.10	22.85
D. Net Surplus/Deficit(-)	7.21	4.66	5.23	5.74	6.15
E. Closing Balance	7.21	11.87	17.10	22.85	29.00

PROJECTED BALANCE SHEET

(Rs.in Lakh)

	1st Year	2nd Year	3rd Year	4th Year	5th Year
A. SOURCES OF FUNDS					
Share Capital	13.61	13.61	13.61	13.61	13.61
Add: Profits	<u>5.22</u>	<u>11.04</u>	<u>18.01</u>	<u>25.97</u>	<u>34.75</u>
	18.83	24.65	31.62	39.58	48.36
Net Worth	18.83	24.65	31.62	39.58	48.36
Loans					
Term Loan	22.47	19.97	14.98	9.99	4.99
Bank Borrowings	6.95	7.46	8.05	8.05	8.05
Unsecured Loans	0.00	0.00	0.00	0.00	0.00
Sundry Creditors	0.60	0.65	0.71	0.76	0.81
Other Current Liabilities	0.20	0.69	0.95	0.97	0.99
	49.05	53.42	56.30	59.34	63.20
B. APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	29.90	29.90	29.90	29.90	29.90
Depreciation	<u>4.45</u>	<u>8.23</u>	<u>11.44</u>	<u>14.17</u>	<u>16.49</u>
Net Block	25.45	21.67	18.46	15.72	13.40
Plot/Land	0.00	0.00	0.00	0.00	0.00
Current Assets					
Inventories	3.68	3.90	4.22	4.53	4.85
Sundry Debtors	6.98	7.56	8.14	8.72	9.30
Pre-liminary & Pre-operative Exps.not w/off Advances	0.23	0.18	0.14	0.09	0.05
Cash & Bank Balance	7.21	11.87	17.10	22.85	29.00
Other Current Assets	5.50	8.25	8.25	7.43	6.60
	49.05	53.42	56.30	59.34	63.20

**DEBT SERVICE COVERAGE
RATIO**

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Profit after tax	5.22	5.82	6.97	7.96	8.78
Depreciation	4.45	3.78	3.21	2.73	2.32
Intt.on Term Loan	2.29	1.84	1.31	0.79	0.26
Total Coverage	11.96	11.44	11.49	11.48	11.36
Loan Repayment	2.50	4.99	4.99	4.99	4.99
Intt.on Term Loan	2.29	1.84	1.31	0.79	0.26
Total Loan Lia- bility	4.79	6.83	6.30	5.78	5.26
DSCR	2.50	1.68	1.82	1.99	2.16
Average DSCR			2.03		