



Model Detailed Project Report

Tapioca Sago

Under the Formalization of Micro Food Processing Enterprises Scheme (Ministry of Food Processing Industries, Government of India)

Prepared by

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**PROJECT
SUMMARY**

1	Name of the Firm	:	
2	Constitution	:	Proprietorship Firm
3	Proprietor	:	
4	Address	:	
5	Size of Plot	:	300 Sq. mts.
6	Location	:	
7	Covered Area	:	1500 Sq. ft.
8	Proposed Project to be set-up	:	Tapioca Sago (Saboodana)
9	Type of Industry	:	Manufacturing
10	Major Raw Materials	:	Tapioca roots
11	Power Load	:	30 KW
12	Employment	:	23 Persons
13	Total Cost of the Project	:	(Rs.in Lakh)
	a. Premises	:	Owned
	b. Machinery & Equipment	:	21.72
	c. Misc.Fixed Assets	:	6.75
	d. Pre-liminary and Pre-operative expenses	:	0.23
	e. Security Depsits with Departments/Others.	:	0.28
	f. Working Capital	:	7.45
	Total	:	Rs. 36.43 Lakh

14	Means of Finance	:		
a.	Term Loan from Bank			22.78
b.	PM FME Subsidy		10.00	
	Promoter's Contribution		<u>3.66</u>	13.66
	Total	:	Rs.	36.43 Lakh

15	Annual Profitability (at 40 % efficiency)	:		
a.	Annual Revenues	:	Rs.	120.60 Lakh
b.	Profit before tax	:	Rs.	12.89 Lakh
c.	Percentage Profit	:		10.69 %
d.	Annual Return on Investment	:		35.38 %
e.	Average Break-even-Point	:		43.83 %
f.	Debt-service Coverage Ratio 2nd year	:		2.72

Introduction:

Sago (Sabooodana) is a processed edible starch produced from tapioca starch marketed in the form of small globules or pearls. Sago is a traditional, convenient and ready to cook food consumed in many parts of the India. Sago production is carried out by many small scale industries. On the average yield of 200kg can be produced from one tone of tapioca starch. About 5,000 liters is required to process one tonne of tapioca tubers to yield 200kg saboodana.

Sago is classified into two types viz Roasted sago(commercial sago) and boiled sag sago(Nylon sago).It is also commercially available in different grades viz,super fine, milky white, best, pearl and broken. Sago is easily digestible, rich in carbohydrate. It is highly recommended for quick recovery of patients. When cooked, sago turns opaque white colour to translucent and becomes soft and spongy. Sago is very heat sensitive, if it subjected to fry,it will turn into a sticky,gluey mass, which is nearly impossible to separate.

Tapioca Sago (Sabooodana) is a processed four starch marketed in the form of small globules or pearls. The name sago is deried from the original product which used to be manufactured from the starchy core of the stem of several palms, the principal being the sago palm. Sago is manufactured in India from the starch obtained from the tubers of tapioca.

Though tapioca is cultivated in different states in the country such as Tamil Nadu, Andhra Pradesh & Kerala. Tamil Nadu has the highest yield of the crop. Salem region in Tamil Nadu represents around 80% of the total production of tapioca in the country.

Demand for Sago is largely confined to a few states in the country such as Maharashtra and Assam. Several downstream products of tapioca starch are particularly finding high growth rate in demand in the global market, particularly since they are internationally preferred due to their being ecofriendly in various applications sectors such as food, confectionery, pharmaceutical and others.

The technology of sago production has been greatly improved from low quality starch produced by sedimentation process to high quality starch produced by fully automated and mechanized, dewatering centrifugal process. In this process, tapioca roots are transported to factories. Since the roots quickly undergo deterioration due to microbial attack, most starch factories apply good practices to process delivered roots within 1-2 days and avoid the storage of perishable fresh roots. Processed roots are firstly passed through a drum to remove soil, sand, pieces of peels and impurities. Roots are then passed through the root washer and part of the remaining peels, called wet peels, with some hard stems or stumps are manually removed.

Washed roots are subsequently chopped and ground by a rasper. Fresh root slurry from the rasper is passed through a series of extractors, from coarse to fine, where the pulp is separated from starch slurry. Fermentation is carried out in settling tank for 3-5 days. Water is further separated by subjecting the starch slurry to a dewatering centrifuge where the water content is reduced from 60% in slurry to 35-40% in cake. Starch cake is pulverized using spike mills. The wet starch is subjected to globulation in vibratory units provided with gunny cloth surfaces forming two pouches. Each pouch or sack can hold 10 to 12 kg. of wet starch powder for globulation. The globulated starch powder is then graded in oscillating screens. The sago so formed is given a mild roasting on hot plates at about 100°C for about 6 to 8 minutes with 12% moisture content.. The roasted sago is then dried in the sun on cemented floor for about 8 to 12 hours depending on the intensity of sun shine. During roasting sago lumps are formed which passing the material through disintegrate breaks down.

The harvest involves cutting stems at a height of 25 to 34 cm from the ground using a machete and removing the tubers, making sure not to damage them. This can be done by hand if the soil is light or using a hoe, a stick or a daba. A maximum of 500 kg of tubers are harvested daily in compacted soil and up to 1,000 kg tubers are harvested each day in wet and light soil. The dry season is the best time to harvest cassava because the tubers are rich in starch at that time, drying is easy and the products can be easily processed and preserved. The early varieties may mature at between 6 and 8 months on average after planting, whereas the late varieties require 12 and 19 months under optimal conditions (such as a humid forest region). In the humid savannah, the late varieties should be harvested 20 to 24 months after planting. Cassava grows faster in humid

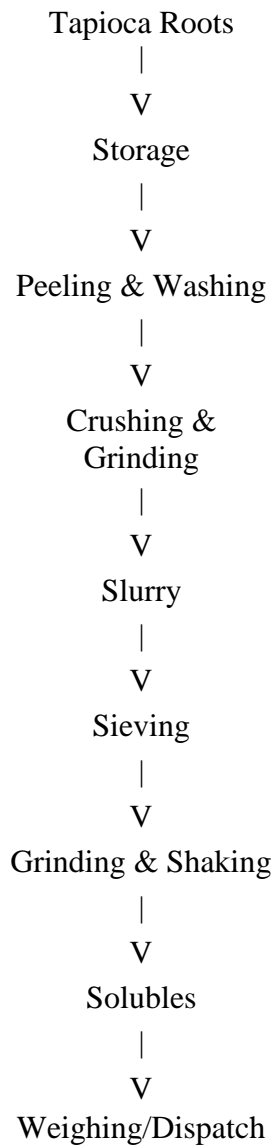
lowlands than in high altitude areas. The yield varies from 20 to 30 tonnes per hectare for local varieties and from 25 to 70 tonnes per hectare for improved varieties. In hostile

environments where other crops fail, cassava can provide good yields. In typical conditions, the yield may vary between 8 to 15 tonnes of tubers per hectare.

The operations involved are pulverisation, globulation, sizing, roasting, drying, polishing, screening and packing, pulverisation is done in spike mills and the wet starch is subjected to globulation in vibratory units provided with gunny cloth surfaces forming two pouches. Each pouch or sack can hold 10 to 12 kg. of wet starch powder for globulation. The globulated starch powder is then graded in oscillating screens. The sago so formed is given a mild roasting on hot plates at about 100°C for about 6 to 8 minutes. The roasted sago is then dried in the sun on cemented floor for about 8 to 12 hours depending on the intensity of sun shine. During roasting sago lumps are formed which passing the material through disintegrate breaks down.

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>S.No.</i>	<i>Product</i>	<i>Units</i>	<i>Qty.</i>	<i>Average Selling Price (Rs./Unit)</i>	<i>Amount, (Rs.in Lakh)</i>
1	Tapioca Sago (Saboodana)	tons	225	38000	85.50
2	Tapioca starch	tons	675	32000	216.00
		tons	900		301.50

:

Capacity Utilisation

First Year of operation	:	40	%
Second Year of operation	:	50	%
Third Year of operation	:	60	%
Fourth Year of operation	:	65	%
Fifth Year & onwards years of operation	:	70	%

c **PREMISES**

a	Plot Size	:	300	Sq. mts.
b	Location	:		
b	Covered Area	:	1500	Sq. ft.

MACHINERY AND EQUIPMENT:

d

<i>S.No.</i>	<i>Description</i>	<i>Qty. Nos.</i>	<i>Rate (Rs.Lakh)</i>	<i>Amount (Rs.in Lakh)</i>
1	Roots Washing Machine	1	3.75	3.75
2	Rasper with blades	3	0.75	2.25
3	Sieves (4'x8')	6	0.30	1.80
3	Stokes	1	0.30	0.30
4	Pullies	15	0.03	0.45
5	Belt (100')	1	0.15	0.15
6	Flour Roller (Spike Mill)	1	0.75	0.75
7	Globulator Set	1	1.20	1.20
8	Sago Sieves	1	1.50	1.50
9	Electric Motor	1	1.80	1.80
10	Stitching Machine	1	1.50	1.50
11	Weighing Machine	1	0.60	0.60
12	Storage Racks	1	0.75	0.75
13	Material Handling Trolleys	1	1.00	1.00
14	Misc. tools & Tackles	1	0.30	0.30
		Set		
				18.10
	The cost of Installation, Erection, Commissioning Taxes, Freight, Insurance etc.	20%		3.62
		Total	Rs.	21.72 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	32	KVA	: 3.25
b.	Electrification Expenses and Electrical Equipments			: 1.00
c.	Office Furniture and Equipments			: 0.75
d.	Fire Fighting & Other Safety Equipments			: 1.25
e.	Misc.			: 0.50
Total				: Rs. 6.75 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	21.72	80 %	17.38
3).	Misc.Fixed Assets	6.75	80 %	5.40
Term Loan Eligibility		28.47	Rs.	22.78 Lakh
Term Loan to be applied for			Rs.	22.78 Lakh

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

Term Loan	:	Rs.	22.78	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	2277600	0	2277600	19929
	2	2277600	0	2277600	19929
	3	2277600	0	2277600	19929
	4	2277600	0	2277600	19929
	5	2277600	0	2277600	19929
	6	2277600	0	2277600	19929
	7	2277600	42178	2235422	19744
	8	2235422	42178	2193244	19375
	9	2193244	42178	2151067	19006
	10	2151067	42178	2108889	18637
	11	2108889	42178	2066711	18268
	12	2066711	42178	2024533	<u>17899</u>
			253067		232505
2nd Year	1	2024533	42178	1982356	17530
	2	1982356	42178	1940178	17161
	3	1940178	42178	1898000	16792
	4	1898000	42178	1855822	16423
	5	1855822	42178	1813644	16054
	6	1813644	42178	1771467	15685
	7	1771467	42178	1729289	15316
	8	1729289	42178	1687111	14947
	9	1687111	42178	1644933	14578
	10	1644933	42178	1602756	14209
	11	1602756	42178	1560578	13840
	12	1560578	<u>42178</u>	1518400	<u>13471</u>
			506133		186004

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

<i>Year/Month</i>		<i>Opening Balance</i>	<i>Principle Repayment</i>	<i>Closing Balance</i>	<i>Interest</i>
3rd Year	1	1518400	42178	1476222	13101
	2	1476222	42178	1434044	12732
	3	1434044	42178	1391867	12363
	4	1391867	42178	1349689	11994
	5	1349689	42178	1307511	11625
	6	1307511	42178	1265333	11256
	7	1265333	42178	1223156	10887
	8	1223156	42178	1180978	10518
	9	1180978	42178	1138800	10149
	10	1138800	42178	1096622	9780
	11	1096622	42178	1054444	9411
	12	1054444	<u>42178</u>	1012267	<u>9042</u>
			506133		132860
4th Year	1	1012267	42178	970089	8673
	2	970089	42178	927911	8304
	3	927911	42178	885733	7935
	4	885733	42178	843556	7566
	5	843556	42178	801378	7197
	6	801378	42178	759200	6828
	7	759200	42178	717022	6458
	8	717022	42178	674844	6089
	9	674844	42178	632667	5720
	10	632667	42178	590489	5351
	11	590489	42178	548311	4982
	12	548311	<u>42178</u>	506133	<u>4613</u>
			506133		79716

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

<i>Year/Mont h</i>	<i>Opening Balance</i>	<i>Principle Repayment</i>	<i>Closing Balance</i>	<i>Interest</i>	
5th Year	1	506133	4217 8	463956	4244
	2	463956	4217 8	421778	3875
	3	421778	4217 8	379600	3506
	4	379600	4217 8	337422	3137
	5	337422	4217 8	295244	2768
	6	295244	4217 8	253067	2399
	7	253067	4217 8	210889	2030
	8	210889	4217 8	168711	1661
	9	168711	4217 8	126533	1292
	10	126533	4217 8	84356	923
	11	84356	4217 8	42178	554
	12	42178	<u>4217</u> <u>8</u>	0	<u>185</u>
			506133		26572

k **RECURRING EXPENSES***(Rs. in Lakh)*

		<i>1st Yr.</i>	<i>2nd Yr.</i>	<i>3rd Yr.</i>	<i>4th Yr.</i>	<i>5th Yr.</i>
	Days					
a.	Consumables	15	3.62	4.52	5.43	6.33
	Bank Finance	75%	2.71	3.39	4.07	4.75
b.	Work in progress	7	1.95	2.46	2.95	3.44
	Bank Finance	75%	1.46	1.84	2.21	2.58
c.	Finished Goods in Stock	10	3.12	3.12	3.90	5.03
	Bank Finance	75%	2.34	2.34	2.92	3.77
d.	Accounts Receivables	30	12.06	15.08	18.09	21.11
	Bank Finance	60%	7.24	9.05	10.85	12.66
e.	Misc. Expenses	30	2.14	2.64	3.06	3.62
	Bank Finance	0%	0.00	0.00	0.00	0.00
	Total		22.89	27.82	33.42	39.53
	Less: Sundry Creditors	7	1.69	2.11	2.53	2.95
	Recurring Expenses		21.20	25.71	30.89	36.58
	Bank Finance		13.75	16.62	20.06	23.77
	Margin Money		7.45	9.09	10.83	12.81

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	12000	1.44	
2	Sales & Marketing	2	15000	3.60	
3	Peon/Watchman	2	9000	<u>2.16</u>	7.20
		<hr/>		5	
b.	<u>Supervisor</u>				
	,	$\frac{1}{1}$	15000	<u>1.80</u>	1.80
c.	<u>Workers</u>				
1	Skilled Operators	2	11000	2.64	
2	Semi-skilled Workers	9	10000	10.80	
3	Unskilled Labour	6	9000	<u>6.48</u>	19.92
		<hr/>		17	28.92
	10% benefits			2.89	
		<hr/>		23	Rs. 31.81 Lakh

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

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

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

<i>S.No</i>	<i>Description</i>		
1	Tapioca Roots	}	60.00 %
		}	of sales value
2	Misc.Consumables	}	
3	Packing Materials	}	0.00 %
	Bags, Stitching Thread, Marker etc.	}	of sales value

Cost of raw materials, consumables and packing materials is assumed at 60.00 % of annual revenues.

Total	Rs.	180.90 Lakh
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Year-wise cost of Raw Materials, Consumables & Packing Materials:

Rs. in Lakh

<i>1st Yr.</i>	<i>2nd Yr.</i>	<i>3rd Yr.</i>	<i>4th Yr.</i>	<i>5th Yr.</i>
72.36	90.45	108.54	117.59	126.63

m **ANNUAL COST OF UTILITIES (POWER & WATER)**
 (at 100% efficiency)

a. **Power**

Total Load			30	KW	
Consumption			Load x 8 x 300 x 0.75		
			Hrs.x DaysxPower		
				Factor	
Source:		54000	KWH		
Govt.	75%	40500	KWH		
Rate	Rs.	9.00	KWH	3.65	Lakh
Generator	25%	13500	KWH		
Rate	Rs.	15.00	KWH	<u>2.03</u>	Lakh
Total Power Bill		Rs.	5.67	Lakh	

b. **Water**

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

Total Power & Water Bill Rs. 5.75 Lakh

n **DEPRECIATION CHART**

Machinery & Equipment : Rs. 21.72 Lakh
 Misc.Fixed Assets : Rs. 6.75 Lakh

<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		21.72	18.46	15.69	13.34	11.34
	Depreciation rate	15 %	<u>3.26</u>	<u>2.77</u>	<u>2.35</u>	<u>2.00</u>	<u>1.70</u>
			18.46	15.69	13.34	11.34	9.64
2).	Misc.Fixed Assets		6.75	5.74	4.88	4.15	3.52
	Depreciation rate	15 %	<u>1.01</u>	<u>0.86</u>	<u>0.73</u>	<u>0.62</u>	<u>0.53</u>
			5.74	4.88	4.15	3.52	3.00
Total Depreciation			4.27	3.63	3.09	2.62	2.23

<u>REPAIRS & MAINTENANCE</u>							
<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		21.72	18.46	15.69	13.34	11.34
	Repairs/Maintenance						
	Rate (%)		0.50	1.00	1.50	2.00	2.50
	Amount (Rs.Lakh)		0.11	0.18	0.24	0.27	0.28
2).	Misc.Fixed Assets		6.75	5.74	4.88	4.15	3.52
	Repairs/Maintenance						
	Rate (%)		0.50	1.00	1.50	2.00	2.50
	Amount (Rs.Lakh)		0.03	0.06	0.07	0.08	0.09
Total			0.14	0.24	0.31	0.35	0.37

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	21.72	18.46	15.69	13.34	11.34
2).	Misc.Fixed Assets	<u>6.75</u>	<u>5.74</u>	<u>4.88</u>	<u>4.15</u>	<u>3.52</u>
	Total	28.47	24.20	20.57	17.48	14.86
	Insurance Charges:					
	Rate (%)	1.00	1.50	2.00	2.50	3.00
	Amount (Rs.Lakh)	0.28	0.36	0.41	0.44	0.45

q **MARKETING EXPENSES**

Marketing Expenses include brokerage, commission, discounts etc.

These are assumed at 2.50 percent of revenues

Year	<i>Rs.Lakh</i>				
	<i>1st Yr.</i>	<i>2nd Yr.</i>	<i>3rd Yr.</i>	<i>4th Yr.</i>	<i>5th Yr.</i>
Revenues	120.60	150.75	180.90	195.98	211.05
Rate (%)	2.50	2.50	2.50	2.50	2.50
Selling Exps.	3.02	3.77	4.52	4.90	5.28

PROJECTIONS OF PERFORMANCE AND PROFITABILITY STATEMENT

(Rs.in Lakh)

		1st Yea r	2nd Yea r	3rd Yea r	4th Yea r	5th Yea r
Capacity Utilisation (%)		40	50	60	65	70
A. Annual Revenues	tons	270	338	405	439	473
Quantity Value	Rs.Lakh	120.60	150.75	180.90	195.98	211.05
(% increase over last year)			25.00	20.00	8.33	7.69
B. Expenses						
a. Raw Materials, Consumables & Packing Materials		72.36	90.45	108.54	117.59	126.63
b. Power/Water		2.30	2.87	3.45	3.73	4.02
c. Salaries & Wages*		9.90	10.89	11.98	13.18	14.49
Salaries		8.76	12.05	14.46	15.67	16.87
Wages						
d. Repairs & Maintenance		0.14	0.24	0.31	0.35	0.37
e. Insurance		0.28	0.36	0.41	0.44	0.45
f. Depreciation		4.27	3.63	3.09	2.62	2.23
f. Transportation		<u>1.35</u>	<u>1.69</u>	<u>2.03</u>	<u>2.19</u>	<u>2.36</u>
@Rs. 500.00 per ton		99.37	122.19	144.26	155.77	167.43
Expenses		99.37	122.19	144.26	155.77	167.43

* 10% increase every year

r PROJECTIONS OF PERFORMANCE AND PROFITABILITY STATEMENT

(Contd.)

(Rs.in Lakh)

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Capacity Utilisation (%)	40	50	60	65	70
C. Gross Profit	21.23	28.56	36.64	40.21	43.62
Selling Expenses	3.02	3.77	4.52	4.90	5.28
Overheads@ Preliminary & Pre-operative Expenses w/off	1.51	1.88	2.26	2.45	2.64
<u>Financial Expenses:</u>	0.05	0.05	0.05	0.05	0.05
a. Interest on term loan	2.33	1.86	1.33	0.80	0.27
b. Interest on Working Capital Loan @ 10.50 % p.a.	1.44	1.75	2.11	2.31	2.50
D. Profit (before taxes)	12.89	19.26	26.38	29.70	32.90
E. Provision for Taxes 30.90%	3.98	5.95	8.15	9.18	10.17
F. Profit (after taxes)	8.91	13.31	18.23	20.52	22.73
Depreciation, added back	4.27	3.63	3.09	2.62	2.23
G. Cash Accruals	13.18	16.94	21.31	23.15	24.96
@ Telephone Bills, Postage/Courier Exps., Travelling/Conveyance, Bank Charges/Commissions, Publicity etc. considered at percent of revenues.			1.25		

s **BREAK-EVEN-EFFICIENCY ANALYSIS**

	<i>(Rs.in Lakh)</i>				
	1st Year	2nd Year	3rd Year	4th Year	5th Year
Capacity Utilisation (%)	40	50	60	65	70
A. Revenues	120.60	150.75	180.90	195.98	211.05
B. Variable Costs					
a. Raw Materials, Consumables & Packing Materials	72.36	90.45	108.54	117.59	126.63
b. Power/Water	2.30	2.87	3.45	3.73	4.02
c. Wages	8.76	12.05	14.46	15.67	16.87
d. Intt.on working capital loan	1.44	1.75	2.11	2.31	2.50
e. Marketing Expenses	3.02	3.77	4.52	4.90	5.28
Total	87.88	110.89	133.08	144.20	155.30
C. Fixed Costs					
a. Salaries	9.90	10.89	11.98	13.18	14.49
b. Admn. Overheads	1.51	1.88	2.26	2.45	2.64
c. Repairs & Maintenance	0.14	0.24	0.31	0.35	0.37
d. Insurance	0.28	0.36	0.41	0.44	0.45
e. Interest on term loan	2.33	1.86	1.33	0.80	0.27
f. Depreciation	4.27	3.63	3.09	2.62	2.23
Total	18.43	18.87	19.37	19.83	20.45
D. Contribution	32.72	39.86	47.82	51.77	55.75
E. Break-even-efficiency(%)	56.33	47.34	40.51	38.31	36.67
Average Break-even-efficiency			43.83		

**CASH FLOW
STATEMENT****NT***(Rs.in Lakh)*

	1st Year	2nd Year	3rd Year	4th Year	5th Year
A. Sources of Funds					
1.Increase in share Capital	13.66	1.64	1.74	1.03	0.95
2.Increase in Term Loan	22.78	0.00	0.00	0.00	0.00
3.Increase in Working Capital Borrowings	13.75	2.87	3.43	1.99	1.72
4.Profits before tax with interest added back	16.66	22.86	29.81	32.81	35.66
5.Preliminary Exps.w/off	0.05	0.05	0.05	0.05	0.05
6.Depreciation	4.27	3.63	3.09	2.62	2.23
	71.16	31.05	38.12	38.50	40.61
B. Disposition of Funds					
1.Preliminary & Pre- operative Expenses	0.23	0.00	0.00	0.00	0.00
2.Increase in Capital Expenditure	28.75	0.00	0.00	0.00	0.00
3.Increase in Current Assets	21.20	4.51	5.18	3.01	2.67
4.Decrease in Term Loan	2.53	5.06	5.06	5.06	5.06
5. Interests	3.77	3.61	3.43	3.11	2.76
6. Taxes	3.98	5.95	8.15	9.18	10.17
7. Remuneration/Drawings	3.00	3.30	3.63	3.99	4.39
	63.47	22.43	25.46	24.36	25.05
C. Opening Balance	0.00	7.69	16.32	28.98	43.12
D. Net Surplus/Deficit(-)	7.69	8.62	12.67	14.14	15.56
E. Closing Balance	7.69	16.32	28.98	43.12	58.68

PROJECTED BALANCE SHEET

(Rs.in Lakh)

	1st Year	2nd Year	3rd Year	4th Year	5th Year
A. SOURCES OF FUNDS					
Share Capital	13.66	13.66	13.66	13.66	13.66
Add: Profits	<u>8.91</u>	<u>22.22</u>	<u>40.44</u>	<u>60.97</u>	<u>83.70</u>
	22.57	35.87	54.10	74.62	97.36
(-) Drgs/Remuner.	<u>3.00</u>	<u>3.30</u>	<u>3.63</u>	<u>3.99</u>	<u>4.39</u>
Net Worth	19.57	32.57	50.47	70.63	92.97
Loans					
Term Loan	22.78	20.25	15.18	10.12	5.06
Bank Borrowings	13.75	16.62	20.06	20.06	20.06
Unsecured Loans	0.00	0.00	0.00	0.00	0.00
Sundry Creditors	1.69	2.11	2.53	2.74	2.95
Other Current Liabilities	0.03	0.06	0.26	1.09	1.89
	57.81	71.61	88.51	104.65	122.93

B. APPLICATION OF FUNDS

Fixed Assets					
Gross Block	28.75	28.75	28.75	28.75	28.75
Depreciation	<u>4.27</u>	<u>7.90</u>	<u>10.99</u>	<u>13.61</u>	<u>15.84</u>
Net Block	24.48	20.85	17.77	15.15	12.92
Plot/Land	0.00	0.00	0.00	0.00	0.00
Current Assets					
Inventories	8.69	10.11	12.27	13.71	14.81
Sundry Debtors	12.06	15.08	18.09	19.60	21.11
Pre-liminary & Pre-operative Exps.not w/off Advances	0.23	0.19	0.14	0.09	0.05
Cash & Bank Balance	7.69	16.32	28.98	43.12	58.68
Other Current Assets	4.65	9.08	11.25	12.98	15.37
	57.81	71.61	88.51	104.65	122.93

DEBT SERVICE COVERAGE RATIO

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Profit after tax	8.91	13.31	18.23	20.52	22.73
Depreciation	4.27	3.63	3.09	2.62	2.23
Intt.on Term Loan	2.33	1.86	1.33	0.80	0.27
Total Coverage	15.50	18.80	22.64	23.94	25.23
Loan Repayment	2.53	5.06	5.06	5.06	5.06
Intt.on Term Loan	2.33	1.86	1.33	0.80	0.27
Total Loan Li- ability	4.86	6.92	6.39	5.86	5.33
DSCR	3.19	2.72	3.54	4.09	4.74
Average DSCR			3.65		

