



PM Formalisation of Micro Food Processing Enterprises Scheme

DETAILED PROJECT REPORT FOR YAM CHOCO DROPS



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1. PROJECT SUMMARY

1. Name of the proposed project	:	Yam Choco Drops making unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	28500 kg/annum (70,75,80,85&90% capacity utilization in 1 st to 5 th Year respectively)
4. Raw material	:	Yam paste/Powder, Chocolate, Sugar, Milk etc.
5. Major product outputs	:	Yam Choco Drops
6. Total project cost	:	Rs. 22.56 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 15.00 Lakh
• Miscellaneous Fixed Assets	:	Rs. 2.00 Lakh
• Working capital	:	Rs. 5.56 Lakh
7. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 5.95 Lakh
• Promoter's contribution (min10%)	:	Rs. 2.26 Lakh
• Term loan	:	Rs. 9.35 Lakh
• Working Capital Requirement	:	Rs. 5.00 Lakh
8. Profit after Depreciation, Interest & Tax		
• 1 st year	:	Rs. 3.76 Lakh
• 2 nd year	:	Rs. 5.09 Lakh
• 3 rd year	:	Rs. 6.38 Lakh
• 4 th year	:	Rs. 7.74 Lakh
• 5 th year	:	Rs. 9.44 Lakh
9. Average DSCR	:	Rs. 3.56
10. Term loan repayment	:	5 Years with 6 months grace period

2. ABOUT THE PRODUCT

Yam Choco Drops are a unique and innovative confectionery product that combines the rich, intense flavour of **dark chocolate** with the earthy sweetness of **yam**. These drops are designed primarily for use in **baking**, **dessert-making**, and **snacking**, offering a delightful twist on traditional chocolate chips.

What sets Yam Choco Drops apart is their harmonious blend of ingredients. The foundation lies in high-quality dark chocolate—made from cocoa mass, cocoa butter, and just the right amount of sugar—which delivers a bold, slightly bitter chocolate flavour. To this base, natural yam essence or yam powder is added, imparting a gently sweet, nutty undertone that complements and enhances the cocoa's complexity. A hint of vanilla rounds out the flavour profile, creating a well-balanced and memorable taste experience.

These drops are incredibly versatile and ideal for a wide range of culinary applications. In **baking**, they can be folded into cookies, brownies, muffins, or quick breads, adding depth and a surprising twist to classic recipes. In **desserts**, they shine in ganache, mousses, or as toppings for ice cream and parfaits. And for **snacking**, they offer a guilt-free indulgence on their own or as a component of trail mixes and healthy bites.

USES AND BENEFITS OF YAM CHOCO DROPS

Yam choco drops, a combination of yams and chocolate, can be used in various culinary applications and offer potential health benefits. Yam Choco Drops presents a unique opportunity within the dynamic Indian confectionery market.

Use of Product

- **Baking at Home:** With a growing interest in home baking, especially among urban populations, Yam Choco Drops can be marketed as a premium and healthier alternative to regular chocolate chips for cookies, muffins, and cakes. The unique flavor could appeal to those seeking to experiment with new tastes.
- **Dessert Ingredient:** They can be positioned as a gourmet ingredient for Indian desserts. Imagine them in fusion sweets, modern interpretations of traditional mithai, or as a topping for ice cream and other frozen treats. The subtle yam flavor could complement spices like cardamom or saffron.
- **Snacking:** As a standalone snack, Yam Choco Drops could appeal to health-conscious consumers looking for a less intensely sweet option with potential nutritional benefits from both dark chocolate and yam.
- **Gifting:** The novelty of Yam Choco Drops could make them an attractive option for festive gifting, especially if packaged attractively. They could be part of gourmet gift hampers or sold as unique chocolate treats during Diwali, Holi, or other celebrations where chocolate gifting is increasingly popular.

- **Food Service Industry:** Bakeries, cafes, and restaurants can use them to create signature desserts and baked goods with a distinctive flavor profile.

Potential Benefits of Product

- **Novelty and Unique Flavor:** The Indian palate is increasingly open to experimentation and fusion flavors. The combination of dark chocolate and yam offers a novel taste that can stand out in a crowded market.
- **Healthier Indulgence:** With rising health awareness in India, particularly in urban areas, Yam Choco Drops can be marketed as a "better-for-you" indulgence due to the presence of dark chocolate (with its antioxidant properties) and the potential nutritional benefits of yam (fiber, vitamins, minerals). The lower glycemic index of yam compared to sugar could also be a selling point.
- **"Desi" Twist with a Modern Appeal:** Yam, especially purple yam (ube), is becoming increasingly recognized in India, particularly in modern baking and desserts. Yam Choco Drops can leverage this familiarity while offering a contemporary chocolate format.
- **Versatility:** Their applicability in baking, desserts, and snacking makes them a versatile product that can target various consumer segments.
- **Premiumization:** Positioned as a gourmet or artisanal product, Yam Choco Drops can tap into the growing demand for premium confectionery among urban consumers with higher disposable incomes.
- **Appealing to Health-Conscious and Festive Gifting Trends:** The increasing preference for healthier options and the strong gifting culture in India, especially during festivals, align well with the potential benefits of Yam Choco Drops.

MARKET POTENTIAL

The Indian market presents a promising landscape for Yam Choco Drops, driven by evolving consumer preferences and market trends.

Market Drivers and Opportunities:

- **Growing Dark Chocolate Consumption:** Due to rising health consciousness and a growing preference for its less sweet and more nuanced flavour profile, dark chocolate is the confectionery category in India with the quickest rate of growth. Using dark chocolate as a base, Yam Choco Drops can profit from this growing market.
- **Rising Health Consciousness:** Indian customers are looking for "better-for-you" indulgence options as they become more health concerned, especially in metropolitan areas. A powerful selling factor may be the potential nutritional advantages of yam (fibre, vitamins, reduced glycaemic index) and dark chocolate (antioxidants).

- **Acceptance of Fusion Flavors:** The Indian palate is increasingly open to experimentation and fusion. The novel combination of dark chocolate with the subtle sweetness and earthy notes of yam can appeal to adventurous consumers.
- **Increasing Popularity of Ube (Purple Yam):** Purple yam, also known as ube, is becoming more well-known in India, although still being a specialist product, particularly in contemporary baking and desserts. This increasing familiarity can be used to Yam Choco Drops' advantage.
- **Premiumization Trend:** Premium and gourmet food items, including confections, are becoming more and more popular due to rising disposable incomes, especially in urban areas. Yam Choco Drops can be marketed as a superior and distinctive product.
- **Gifting Culture:** India has a strong tradition of gifting sweets and chocolates during festivals and special occasions. The novelty and potential health benefits of Yam Choco Drops can make them an attractive gifting option.
- **Versatility in Application:** The drops can be used in home baking (cookies, muffins, cakes), as a dessert ingredient (toppings, sauces, in fusion sweets), for direct snacking, and as a unique garnish.
- **E-commerce Growth:** The expanding e-commerce market provides a platform to reach a wider consumer base across India for a novel product like Yam Choco Drops.

Potential Challenges:

- **Price Sensitivity:** The Indian market has a sizable price-sensitive segment. To strike a balance between the product's superior quality and affordability, the pricing strategy will be essential.
- **Competition from Established Brands:** The Indian confectionery market is dominated by large domestic and international players with strong brand recognition and distribution networks.
- **Novelty and Awareness:** The majority of Indian customers are still unfamiliar with yam as an ingredient in chocolate. It will be crucial to raise awareness and educate them about the special flavour combination and advantages.
- **Competition from Traditional Sweets (Mithai):** During festivals, Yam Choco Drops will compete with deeply ingrained traditional sweets. Marketing efforts should highlight their unique modern twist.
- **Supply Chain and Sourcing of Yam:** Ensuring a consistent and high-quality supply of yam for production will be critical.

Marketing Strategies for Success:

- **Emphasise the "Unique Fusion":** Clearly convey the alluring pairing of yam and dark chocolate.
- **Stress Health and Wellbeing:** Highlight the nutritional value of yams and the possible antioxidant advantages of dark chocolate.
- **Highlight Versatile Usage:** Offer recipe suggestions and give examples of the different culinary uses for Yam Choco Drops.
- **Appealing Packaging and Branding:** Design eye-catching packaging that communicates the product's high quality and inventiveness.
- **Digital Marketing and Influencer Engagement:** To raise awareness and interest, work with food bloggers and influencers and make use of internet platforms.
- **Strategic Alliances:** To guarantee product availability, collaborate

All things considered; Yam Choco Drops has a lot of promise in the Indian market. This creative candy product can successfully carve out a niche for itself by effectively addressing the obstacles and utilising market possibilities and trends. Effective marketing that emphasises its uniqueness, health benefits, and adaptability will be crucial in order to connect with the changing Indian consumer.

RAW MATERIAL REQUIRED

To produce yam-flavoured dark chocolate drops intended for baking and confectionery use, the following raw materials would be required:

1. Dark Chocolate Components:

- **Coco Powder:** Cocoa powder is a fine, unsweetened powder made from roasted and ground cacao beans, rich in flavour and antioxidants. It is used as a key ingredient in yam Choco drops to impart a rich chocolate taste and dark colour.
- **Chocolate Essence:** Chocolate essence is a concentrated flavouring agent used to impart rich, cocoa-like aroma and taste to food products. It enhances the chocolate flavour in yam choco drops, making them more appealing and indulgent.
- **Sugar:** Typically, granulated cane sugar or beet sugar. The amount will determine the sweetness of the dark chocolate.

2. Yam Flavouring Component:

- **Yam Powder:** This is the most likely form of yam to be incorporated into chocolate drops for consistent flavour and texture. The type of yam powder used will determine the specific flavour profile:

- **Water Yam Powder:** is a finely milled powder made from dried water yams. It serves as the primary raw material in the production of yam choco drops, providing natural starch, texture, and nutritional value.
- **Yam Paste or Puree (Less Likely for Drops):** While possible, using a paste or puree directly might affect the texture and shelf life of the chocolate drops and could be more challenging for consistent processing. If used, it would likely be in a very concentrated and low-moisture form.
- **Natural Yam Flavour Extracts or Essences:** These concentrated flavourings can provide the desired yam taste without significantly altering the texture of the chocolate.

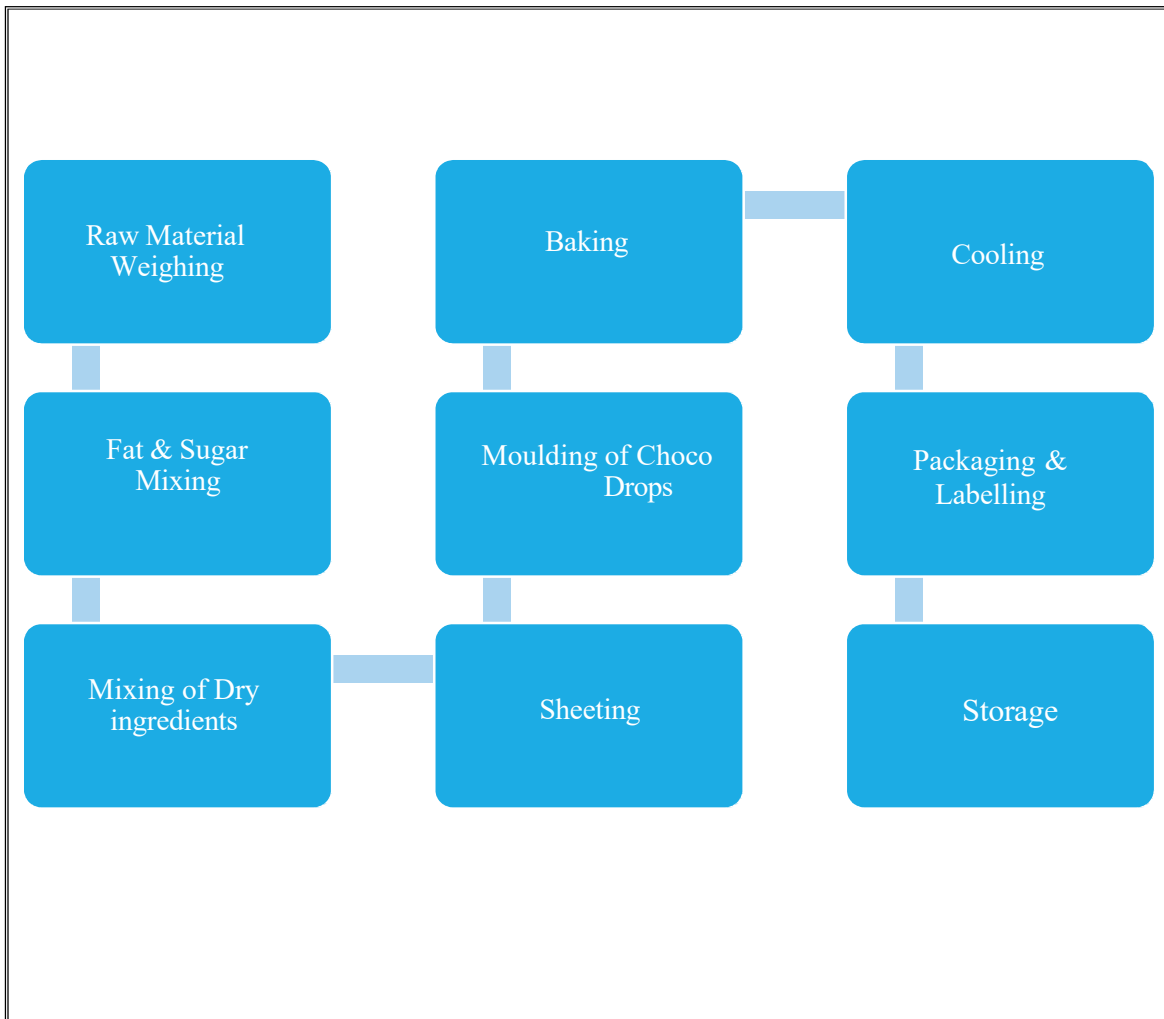
3. Optional Ingredients (Depending on Specific Product Goals):

- **Refined Wheat Flour:** Refined Wheat Flour is a finely milled white flour made from wheat grains, used as a base ingredient for structure and texture. In yam choco drops, it helps bind the ingredients and provides a soft, cake-like consistency.
- **Vegetable Fat:** Vegetable fat is a plant-based fat used to enhance the texture, mouthfeel, and shelf life of yam choco drops. It serves as a key ingredient for achieving a smooth, creamy consistency in the final product.
- **Salt:** A pinch of salt can enhance the overall flavour profile.

3. PROCESS FLOW CHART

4.

MANUFACTURING PROCESS



1. Ingredient Preparation

- Measure and inspect raw materials: Refined Wheat Flour, Yam powder, Sugar, Vegetable Fat, Coco powder, Essence.
- Sift dry ingredients to remove clumps or foreign particles.

2. Mixing and Pre-Melting

- Mixing of Fat, Sugar in a planetary mixer until it reaches cream consistency.
- Weigh all the dry Ingredients-Refined Wheat flour, Yam powder, Coco powder, essence.
- Mix the dry and wet ingredients together in a planetary mixer until it reaches dough consistency (add water if required).

- Sheeting and moulding of dough
- Baking at certain temperature for few minutes in rotary bake oven.
- Cooling of the choco drops
- Packaging & Labelling

3. Packaging

- The finished Yam Choco Drops are weighed, packed in moisture-proof, food-safe pouches or jars.
- Packages are labelled with batch information, nutritional details, and expiration date.

4. ECONOMICS OF THE PROJECT

4.1 BASIS & PRESUMPTIONS

1. The production capacity of the Yam Choco drops is assumed to be 100 kgs per day.
2. The production capacity utilization has been assumed at 70%,75%,80%,85% and 90% during the 5 years.
3. Production has considered for 300 working days per annum.
4. A wastage of 5% has been considered during calculation of Production and raw material.
5. The cost of raw material and Selling price has been considered in Per kg unit.
6. The average cost of Raw material per kg is considered Rs. 105 and the selling price per kg is considered to be Rs.250.00.
7. An increase of 5% has been considered in the prices of raw material and Selling price from 2nd year onwards.
8. The manpower requirement for the unit is stated to be 8 personnel.
9. The Electric load requirement for the unit is stated to be 20kW.
10. Debtors have been considered for a period of 25 days.
11. Creditors have been considered for a period of 15 days.
12. Depreciation and Income tax has been taken as per the Income tax Act, 1961.
13. Interest on working Capital Loan and Term loan has been taken at 11%.
14. Salary and wages rates are taken as per the Current Market Scenario.

4.2 CAPACITY, UTILIZATION, PRODUCTION & OUTPUT

<u>COMPUTATION OF PRODUCTION OF YAM CHOCO DROPS</u>		
Item to be Manufactured		
Yam Choco Drops		
Machine capacity Per Day	100	Kg
Working days in a month	25	Days
Working days per annum	300	Days
Wastage Considered	5%	
Raw material requirement	30000	Kg
Final Output per annum after wastage	28500	Kg
Final Product to be packed in 1 kg Packet		1 Kg
Number of Packets per annum	28500	Packet

Production of Yam Choco Drops		
Production	Capacity	KG
1st year	70%	19,950
2nd year	75%	21,375
3rd year	80%	22,800
4th year	85%	24,225
5th year	90%	25,650

Raw Material Cost			
Year	Capacity Utilisation	Rate (per Kg)	Amount (Rs. in lacs)
1st year	70%	105.00	22.00
2nd year	75%	110.00	25.00
3rd year	80%	116.00	28.00
4th year	85%	122.00	31.00
5th year	90%	128.00	35.00

<u>COMPUTATION OF SALE</u>					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	998	1,069	1,140	1,211
Production	19,950	21,375	22,800	24,225	25,650
Less: Closing Stock	998	1,069	1,140	1,211	1,283
Net Sale	18,953	21,304	22,729	24,154	25,579
sale price per packet	250.00	263.00	276.00	290.00	305.00
Sales (in Lacs)	47.00	56.00	63.00	70.00	78.00

4.3-PREMISES/INFRASTRUCTURE

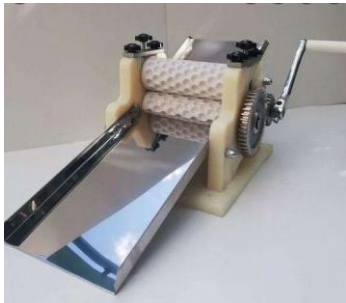
The approximate total area required for complete factory setup is 1000-1500 Sq. ft. for smooth production including storage area. For this project, the area has been assumed to be on rental basis.

4.4-MACHINERY & EQUIPMENTS

Here's a detailed list of Machinery & Equipment required for Yam Choco drops making unit:

Machine Name	Description	Machine Image	Cost of Equipment
Washer	Washing, Cleaning of the yam		₹50,000
Tray Dryer	To dry yam slices		₹1,20,000
Pulveriser	To grind the dried yam		₹80,000
Weighing Balance	Weighing of Ingredients		₹5,000

Planetary Mixer	Mixes Yam flour, chocolate, and other ingredients into a uniform dough.		₹3,00,000
SS Table	For rolling of dough		₹40,000
Oven	Bakes biscuits uniformly with precise control over temperature and humidity.		₹2,50,000
Vertical Form Fill seal (VFFS) machine	Forms, fills, and seals bags for bulk packaging.		₹3,00,000

Packaging Machine	Automatically fills and seals Choco Drops into pouches, jars, or bulk packs. Can include features like weight-based filling, batch coding, and nitrogen flushing to extend shelf life.		₹3,50,000
Miscellaneous:			
1)Roller			
2)Mould			₹25,000
		Estimated Cost	₹14,20,000.00
		Add:Misc.cost	₹80,000.00
		TOTAL	₹15,00,000.00

4.5-MISCELLANEOUS FIXED ASSETS

- Generator/Inverter
- Furniture & Fixtures
- Electrical Fittings etc.

4.6-TOTAL COST OF PROJECT

COST OF PROJECT	
(in Lacs)	
PARTICULARS	Amount
Land & Building	Owned/Rented
Plant & Machinery	15.00
Electrical Fittings etc.	2.00
Working capital	5.56
Total	22.56

4.7-MEANS OF FINANCE

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution (min 10%)	2.26
Subsidy @35% (Max. Rs 10 Lac)	5.95
Term Loan @ 55%	9.35
Working Capital (Bank Finance)	5.00
Total	22.56

4.8-TERM LOAN: A Term loan of Rs. 9.35 Lakh is required for project cost of Rs. 22.56 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	-	9.35	9.35	-	-	9.35
	2nd month	9.35	-	9.35	0.09	-	9.35
	3rd month	9.35	-	9.35	0.09	-	9.35
	4th month	9.35	-	9.35	0.09	-	9.35
	5th month	9.35	-	9.35	0.09	-	9.35
	6th month	9.35	-	9.35	0.09	-	9.35
	7th month	9.35	-	9.35	0.09	0.17	9.18
	8th month	9.18	-	9.18	0.08	0.17	9.00
	9th month	9.00	-	9.00	0.08	0.17	8.83
	10th month	8.83	-	8.83	0.08	0.17	8.66
	11th month	8.66	-	8.66	0.08	0.17	8.48
	12th month	8.48	-	8.48	0.08	0.17	8.31
					0.92	1.04	
2nd	Opening Balance						
	1st month	8.31	-	8.31	0.08	0.17	8.14
	2nd month	8.14	-	8.14	0.07	0.17	7.96
	3rd month	7.96	-	7.96	0.07	0.17	7.79
	4th month	7.79	-	7.79	0.07	0.17	7.62
	5th month	7.62	-	7.62	0.07	0.17	7.45
	6th month	7.45	-	7.45	0.07	0.17	7.27
	7th month	7.27	-	7.27	0.07	0.17	7.10
	8th month	7.10	-	7.10	0.07	0.17	6.93
	9th month	6.93	-	6.93	0.06	0.17	6.75
	10th month	6.75	-	6.75	0.06	0.17	6.58
	11th month	6.58	-	6.58	0.06	0.17	6.41
	12th month	6.41	-	6.41	0.06	0.17	6.23
					0.81	2.08	
3rd	Opening Balance						
	1st month	6.23	-	6.23	0.06	0.17	6.06
	2nd month	6.06	-	6.06	0.06	0.17	5.89
	3rd month	5.89	-	5.89	0.05	0.17	5.71
	4th month	5.71	-	5.71	0.05	0.17	5.54
	5th month	5.54	-	5.54	0.05	0.17	5.37
	6th month	5.37	-	5.37	0.05	0.17	5.19
	7th month	5.19	-	5.19	0.05	0.17	5.02
	8th month	5.02	-	5.02	0.05	0.17	4.85
	9th month	4.85	-	4.85	0.04	0.17	4.68

	10th month	4.68	-	4.68	0.04	0.17	4.50
	11th month	4.50	-	4.50	0.04	0.17	4.33
	12th month	4.33	-	4.33	0.04	0.17	4.16
					0.58	2.08	
4th	Opening Balance						
	1st month	4.16	-	4.16	0.04	0.17	3.98
	2nd month	3.98	-	3.98	0.04	0.17	3.81
	3rd month	3.81	-	3.81	0.03	0.17	3.64
	4th month	3.64	-	3.64	0.03	0.17	3.46
	5th month	3.46	-	3.46	0.03	0.17	3.29
	6th month	3.29	-	3.29	0.03	0.17	3.12
	7th month	3.12	-	3.12	0.03	0.17	2.94
	8th month	2.94	-	2.94	0.03	0.17	2.77
	9th month	2.77	-	2.77	0.03	0.17	2.60
	10th month	2.60	-	2.60	0.02	0.17	2.42
	11th month	2.42	-	2.42	0.02	0.17	2.25
	12th month	2.25	-	2.25	0.02	0.17	2.08
					0.35	2.08	
5th	Opening Balance						
	1st month	2.08	-	2.08	0.02	0.17	1.90
	2nd month	1.90	-	1.90	0.02	0.17	1.73
	3rd month	1.73	-	1.73	0.02	0.17	1.56
	4th month	1.56	-	1.56	0.01	0.17	1.39
	5th month	1.39	-	1.39	0.01	0.17	1.21
	6th month	1.21	-	1.21	0.01	0.17	1.04
	7th month	1.04	-	1.04	0.01	0.17	0.87
	8th month	0.87	-	0.87	0.01	0.17	0.69
	9th month	0.69	-	0.69	0.01	0.17	0.52
	10th month	0.52	-	0.52	0.00	0.17	0.35
	11th month	0.35	-	0.35	0.00	0.17	0.17
	12th month	0.17	-	0.17	0.00	0.17	-
					0.12	2.08	
	DOOR TO DOOR	60	MONTHS				
	MORATORIUM PERIOD	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
Finished Goods					
15 days	1.68	1.90	2.10	2.31	2.57
Raw Material					
15 Days	1.10	1.25	1.40	1.55	1.75
Closing Stock	2.78	3.15	3.50	3.86	4.32

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD (in Lacs)					
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	2.78				
Less: Creditors	1.10				
Paid stock	1.68	10%	0.17	90%	1.52
Sundry Debtors	3.92	10%	0.39	90%	3.53
	5.60		0.56		5.04
MPBF					5.04
WORKING CAPITAL LIMIT DEMAND (from Bank)					5.00
Working Capital Margin					0.56

4.11-SALARY & WAGES

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages Rs. per Month	No of Employees	Total Salary
Plant Supervisor	15,000	1	15,000
Skilled (in thousand rupees)	10,000	2	20,000
Unskilled (in thousand rupees)	8,000	2	16,000
Total salary per month			51,000
Total annual labour charges	(in lacs)	5	6.12

<u>BREAK UP OF STAFF SALARY CHARGES</u>			
Particulars	Salary Rs. per Month	No of Employees	Total Salary
Administrative Staff	12,000	1	12,000
Sales Staff	12,000	1	12,000
Accountant	15,000	1	15,000
Total salary per month		3	39,000
Total annual Staff charges	(in lacs)		4.68

4.12-POWER REQUIREMENT

Utility Charges (per month)		
Particulars	value	Description
Power connection required	20	KWH
consumption per day	160	units
Consumption per month	4,000	units
Rate per Unit	8	Rs.
power Bill per month	32,000	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	15.00	2.00	17.00
Total	15.00	2.00	17.00
Less: Depreciation	2.25	0.20	2.45
WDV at end of Year	12.75	1.80	14.55
Additions During the Year	-	-	-
Total	12.75	1.80	14.55
Less: Depreciation	1.91	0.18	2.09
WDV at end of Year	10.84	1.62	12.46
Additions During the Year	-	-	-
Total	10.84	1.62	12.46
Less: Depreciation	1.63	0.16	1.79
WDV at end of Year	9.21	1.46	10.67
Additions During the Year	-	-	-
Total	9.21	1.46	10.67
Less: Depreciation	1.38	0.15	1.53
WDV at end of Year	7.83	1.31	9.14
Additions During the Year	-	-	-
Total	7.83	1.31	9.14
Less: Depreciation	1.17	0.13	1.31
WDV at end of Year	6.66	1.18	7.84

4.14-REPAIR & MAINTENANCE: Repair & Maintenance is 2.5% 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 %	70%	75%	80%	85%	90%
<u>SALES</u>					
Gross Sale					
Yam Choco Drops	47.00	56.00	63.00	70.00	78.00
Total	47.00	56.00	63.00	70.00	78.00
<u>COST OF SALES</u>					
Raw Material Consumed	22.00	25.00	28.00	31.00	35.00
Electricity Expenses	2.69	2.88	3.07	3.26	3.46
Wages & labour	4.28	4.59	4.90	5.20	5.51
Repair & maintenance	1.18	1.40	1.58	1.75	1.95
Packaging	3.53	4.20	4.41	4.90	5.46
Cost of Production	33.67	38.07	41.95	46.12	51.37
Add: Opening Stock /WIP	-	1.68	1.90	2.10	2.31
Less: Closing Stock /WIP	1.68	1.90	2.10	2.31	2.57
Cost of Sales	31.99	37.85	41.76	45.91	51.11
GROSS PROFIT	15.01	18.15	21.24	24.09	26.89
	31.94%	32.41%	33.72%	34.42%	34.47%
Depreciation	2.45	2.09	1.79	1.53	1.31
Salary to Staff	3.28	3.51	3.74	3.98	4.21
Interest on Term Loan	0.92	0.81	0.58	0.35	0.12
Interest on working Capital	0.55	0.55	0.55	0.55	0.55
Rent	3.00	3.30	3.63	3.99	4.39
Selling & adm exp	1.06	2.80	4.57	5.95	6.86
TOTAL	11.25	13.06	14.86	16.35	17.45
NET PROFIT	3.76	5.09	6.38	7.74	9.44
	8.00%	9.09%	10.13%	11.06%	12.10%
Taxation	-	0.14	0.40	0.45	0.96
PROFIT (After Tax)	3.76	4.95	5.98	7.29	8.48

4.16-BREAK EVEN POINT ANALYSIS

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	47.00	56.00	63.00	70.00	78.00
Less : Op. WIP Goods	-	1.68	1.90	2.10	2.31
Add : Cl. WIP Goods	1.68	1.90	2.10	2.31	2.57
Total Sales	48.68	56.22	63.19	70.21	78.26
Variable & Semi Variable Exp.					
Raw Material Consumed	22.00	25.00	28.00	31.00	35.00
Electricity Exp/Coal Consumption at 85%	2.28	2.45	2.61	2.77	2.94
Wages & Salary at 60%	4.54	4.86	5.18	5.51	5.83
Selling & administrative Expenses 80%	0.85	2.24	3.65	4.76	5.49
Interest on working Capital	0.55	0.55	0.55	0.55	0.55
Repair & maintenance	1.18	1.40	1.58	1.75	1.95
Packaging	3.53	4.20	4.41	4.90	5.46
Total Variable & Semi Variable Exp	34.92	40.70	45.98	51.24	57.22
Contribution	13.77	15.52	17.21	18.97	21.04
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.40	0.43	0.46	0.49	0.52
Wages & Salary at 40%	3.02	3.24	3.46	3.67	3.89
Interest on Term Loan	0.92	0.81	0.58	0.35	0.12
Depreciation	2.45	2.09	1.79	1.53	1.31
Selling & administrative Expenses 20%	0.21	0.56	0.91	1.19	1.37
Rent	3.00	3.30	3.63	3.99	4.39
Total Fixed Expenses	10.01	10.43	10.83	11.22	11.60
Capacity Utilization	70%	75%	80%	85%	90%
OPERATING PROFIT	3.76	5.09	6.38	7.74	9.44
BREAK EVEN POINT	51%	50%	50%	50%	50%
BREAK EVEN SALES	35.39	37.79	39.76	41.55	43.15

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		8.96	9.91	10.89	12.18
Add: - Own Capital	2.26				
Add: - Retained Profit	3.76	4.95	5.98	7.29	8.48
Less: - Drawings	3.00	4.00	5.00	6.00	7.00
Subsidy/grant	5.95				
Closing Balance	8.96	9.91	10.89	12.18	13.67
Term Loan	8.31	6.23	4.16	2.08	-
Working Capital Limit	5.00	5.00	5.00	5.00	5.00
Sundry Creditors	1.10	1.25	1.40	1.55	1.75
Provisions & Other Liab	0.50	0.63	0.75	0.90	1.08
TOTAL:	23.88	23.02	22.20	21.71	21.50
<u>Assets</u>					
Fixed Assets (Gross)	17.00	17.00	17.00	17.00	17.00
Gross Dep.	2.45	4.54	6.33	7.86	9.16
Net Fixed Assets	14.55	12.46	10.67	9.14	7.84
Current Assets					
Sundry Debtors	3.92	4.67	5.25	5.83	6.50
Stock in Hand	2.78	3.15	3.50	3.86	4.32
Cash and Bank	2.63	2.74	2.78	2.88	2.84
TOTAL:	23.88	23.02	22.20	21.71	21.50

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	2.26				
Net Profit	3.76	5.09	6.38	7.74	9.44
Depreciation & Exp. W/off	2.45	2.09	1.79	1.53	1.31
Increase in Cash Credit	5.00	-	-	-	-
Increase in Term Loan	9.35	-	-	-	-
Increase in Creditors	1.10	0.15	0.15	0.15	0.20
Increase in Provisions & Oth lib	0.50	0.13	0.13	0.15	0.18
Subsidy/grant	5.95				
TOTAL :	30.36	7.46	8.44	9.57	11.13
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	17.00				
Increase in Stock	2.78	0.37	0.34	0.36	0.46
Increase in Debtors	3.92	0.75	0.58	0.58	0.67
Repayment of Term Loan	1.04	2.08	2.08	2.08	2.08
Drawings	3.00	4.00	5.00	6.00	7.00
Taxation	-	0.14	0.40	0.45	0.96
TOTAL :	27.74	7.34	8.41	9.47	11.16
Opening Cash & Bank Balance	-	2.63	2.74	2.78	2.88
Add: Surplus	2.63	0.12	0.04	0.10	-0.04
Closing Cash & Bank Balance	2.63	2.74	2.78	2.88	2.84

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	6.21	7.04	7.77	8.82	9.79
Interest on Term Loan	0.92	0.81	0.58	0.35	0.12
Total	7.13	7.85	8.35	9.17	9.91
REPAYMENT					
Instalment of Term Loan	1.04	2.08	2.08	2.08	2.08
Interest on Term Loan	0.92	0.81	0.58	0.35	0.12
Total	1.96	2.89	2.66	2.43	2.20
DEBT SERVICE COVERAGE RATIO	3.64	2.72	3.14	3.78	4.50
AVERAGE D.S.C.R.	3.56				



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