



National Institute of Micro, Small and Medium Enterprises (ni-msme)[an Organisation of Ministry of MSME, Govt. of India]Yousufguda, HYDERABAD – 500 045

PAPPAD MANUFACTURING

Introduction

Papad is also known as Papadum. Papad is nothing but the thin Indian wafer, which can be referred as a cracker or flat bread. Papad is generally made from dried lentils, it can be eaten fried

or roasted. There are variety of papad flavors available in the market, that are made to suit the requirement of each and every individual.

The basic composition of the papad varies from a number of ingredients such as cereal flour, pulse flour, soya flour, spice mixes, chemical mixes and different vegetable juices for improving both organoleptic and nutritional characteristics.

Before making any papad, its dough is required to make. That dough contains salt and peanut oil and some flavors to make the special regional papad. Baking soda is also one of the main ingredient for making good papad. The dough is shaped into a thin, round flat bread and then dried (traditionally in the sun). Papad can be cooked by deep-frying, roasting over an open flame, toasting or microwaving.

In India, Papad has a vital place in every meal. It is highly served or accompanied either as a snack, chaat or with main course recipes. Papad is an example of the genius of Indian cuisine. Originally there are two types of Papad – North Indian papad and South Indian papad. They come into different sizes and textures such as mini papad, big papads, roasted papad, khakra and many more.

Papads of various brands are easily available in the market. One of the most famous market brand is Lijjat. You can get variety of tasty and flavorful Lijjat papads with different shapes and sizes. Always check that they are dry and not stuck with each other.

USES:

- 1.3 Papad is a great accompaniment with drinks and mocktails, one of the best example is masala papad.
- 1.4 Papads are typically served as an accompaniment with any meal in India.
- 1.5 Papad can be eaten as a starter or snack dish.



Courtesy :

- 1.6 Fried, roasted, open-flame papad and oven-made papad are some of the best varieties of papad.
- 1.7 A famous Rajasthani delicacy is papad curry or papad ki sabji, that is made from the papad only.
- 1.8 Papad can be enjoyed with variety of pickles, chutneys and sauces.
- 1.9 You can get papad of several flavors of your choice, such as Punjabi masala, urad dal, moong dal, asafoetida, black Pepper, green chilly, red chilly, cumin, garlic, ginger, cardamom, cloves and cinnamon, etc.
- 1.10 Since the years, Papad has been used to serve with dal and rice, as it enhance the taste of the meal.
- 1.11 You can munch the Papad as a great snack dish.
- 1.12 Papad can be served with soup or with the main meal.
- 2.0 Papad is often crushed and sprinkled on the rice.
- 2.1 A traditional Indian thali, platter, marriage buffets, parties, etc always includes papad in their menu.
- 2.2 You can crush the raw papads for coating the kebabs and tikkis.
- 2.3 Papad is used for making several Gujarati subzis like Methi- Papad nu shaak, Ghatia- papad nu shaak, etc.

STORAGE:

- 3.0 Papad should be stored in air tight container.
- 3.1 It can be stored for 10-12 months.
- 3.2 Sometimes keep them under fresh air and sun light for few minutes for preserving even more better.
- 3.3 Although storage can be done, but it is advisable to buy limited stock or small packets of papad and use them as per your requirement.

BENEFITS:

Papad is a good appetizer and a source for digestive.

Roasted or grilled papad helps to absorb the fatty material from the mouth and throat.

Papad should be eaten in moderate proportion, else it can become the reason of acidity.

Papad is very high in sodium, hence not advisable for hypertensive people.

Papads are made of lentils, hence are free from gluten, rich in protein and dietary fiber



Location , Land & Building

The unit will be located in a rented building. The monthly rent amount for this unit will be Rs 5000/month.

Work Style / Activity

Courtesy :



The raw materials of the units are Uzhunnu Mavu, Rice Powder, Castic Soda, Salt, Oil. It can be purchased in a large scale and avail locally. The Uzhunnu Mavu, Castic soda, salt and oil are mixed thoroughly and then put that mixture to the automatic pappad making machine. Then pappad can make according to the die that we are giving. This Pappad may pass through the drier also. Noramally this project aims pappad size of —5 Inch||.

- ***Equipments***

Fully auto pappad making machine is the major equipments required for the manufacturing of Pappad. In addition, the accessories like Sealing Machine, Tables, Chair and rack are required.

- ***Estimation of the working capital***

The estimated requirement of working capital of the unit comes to Rs 3,23,000 the basis for the estimation of working capital is cost of the raw material required per month, and the labor charges. The details are furnished in the financial analysis of the report.

- ***Cost of the Project.***

The total cost of the project comes to Rs 10,23,000; which is arrived from the financial analysis.

- ***Source of Fund.***

The promoter is expecting a composite loan of Rs. 8,18,000 from the Bank, which includes the Term loan for the fixed investment and working capital. The pro moter's contribution is shown as Rs. 2,05,000. Details are furnished in the financial analysis of the report.

Assumptions

This project report is prepared based on the following assumptions.

- The unit is expected to operate 25 days in a month on single shift basis.
- Working capital is estimated based on raw material and other expenses required per month.
- Any change in the government or bank policy will make corresponding change in the project report.

Courtesy :



Conclusions

By virtue of the contacts of the promoter in the business activity the unit is expecting an ascending future. The project is prepared on the basis of reasonable and reliable estimates and assumptions. The project can generate enough cash to pay the interest as well as installment of loan. The project is technically feasible and financially viable.

Pappad Manufacturing Unit

ABSTRACT

- Name & Address
- Type of Organization Proprietary
- Unit Address
- Panchayath
- Building Number /Survey no
- Village
- Activity Pappad Manufacturing (Pappad)
- Scope of Project New Project
- | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;"><u>Project Cost</u></th> </tr> </thead> <tbody> <tr> <td>Fixed Investment</td> <td style="text-align: right;">` 700000</td> </tr> <tr> <td>Working Capital</td> <td style="text-align: right;">` 323000</td> </tr> <tr> <td colspan="2" style="text-align: right;">[REDACTED]</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">` 1023000</td> </tr> </tbody> </table> | <u>Project Cost</u> | | Fixed Investment | ` 700000 | Working Capital | ` 323000 | [REDACTED] | | Total | ` 1023000 | & | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;"><u>Means of Finance</u></th> </tr> </thead> <tbody> <tr> <td>Term Loan</td> <td style="text-align: right;">560000</td> </tr> <tr> <td>W.C. Loan</td> <td style="text-align: right;">` 258000</td> </tr> <tr> <td></td> <td style="text-align: right;">81800</td> </tr> <tr> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>Promoter's Share</td> <td style="text-align: right;">` 205000</td> </tr> <tr> <td colspan="2" style="text-align: right;">[REDACTED]</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">` 1023000</td> </tr> </tbody> </table> | <u>Means of Finance</u> | | Term Loan | 560000 | W.C. Loan | ` 258000 | | 81800 | | 0 | Promoter's Share | ` 205000 | [REDACTED] | | Total | ` 1023000 |
|--|---------------------|--|------------------|----------|-----------------|----------|------------|--|--------------|------------------|---|---|-------------------------|--|-----------|--------|-----------|----------|--|-------|--|---|------------------|----------|------------|--|--------------|------------------|
| <u>Project Cost</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fixed Investment | ` 700000 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Working Capital | ` 323000 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| [REDACTED] | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | ` 1023000 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Means of Finance</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Term Loan | 560000 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| W.C. Loan | ` 258000 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 81800 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Promoter's Share | ` 205000 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| [REDACTED] | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | ` 1023000 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
- Subsidy Eligible 191625 (as per ESS)
- Repayment Period 3
- Gross Profit after 1st year 592300 >>> Rs 49400 / Month (average)
- Scheme SME finance

● Rate of Return	56%
● Average DSCR	2.61
● DER	1.07
● IRR	75% ; as NPV is + Ve (Break Even Point at 70% Capacity Utilization)
● BEP	64%
● Current Ratio	6.79
● Net Profit Ratio	13%
● Payback Period	In between 1 and 2 year
● Employment Potential	4
● Name of Bank	
● Project Implementation Period	From May 2015 To August 2015

Project Details

Fixed Capital Investment

A	Land & Building	
	Cost of Land	Nil
	Land Development Cost	Nil
	Building	Nil
	Total	0

B Machinery /Equipments

Si No	Item	Make	Unit Price	Qty	Ext Price
1	Fully Auto Pappad Machine	PP deluxe	565000	1	565000
2	Flour Kneading Machine	Inclusive of Pappad Machine			
3	Flat Sheet Making				
4	Pappad Sheeter				
5	Cutter Machine				
6	Electric Drier				
7	Tax		28250	1	28250
8	Sealing Machine		7000	1	7000
				Total	600250

Courtesy :



C Furniture / Fixtures

Si No	Item	Make	Unit Price	Qty	Ext Price
1	Table		15000	1	15000
2	Chair		700	5	3500
3	Rack		10000	2	20000
				Total	38500

D Preliminary & Pre-operative cost

Si No	Details	Amount
1	Erection & Electrification	25000
2	Preliminary Expenses (Others)	15000
3	Trial Production	15000
	Total	55000

E Contingency

Si No	Details	Amount
	Contingency / Others/ Miscellaneous Expenses	6250
	Total	6250

F Total Capital Expenditure (A + B + C + E) 700000
Sales Realization (@ 100% Capacity Utilization)

Si No	Item	Unit Price	Qty	Ext Price	Yearly Sales
1	Pappad	7.5	65625	492187.5	5906250
	Total			492187.5	5906250

H Raw Materials

Si No	Item	Unit	Amt/Mont	Qty or Mo	Ext Price
1	Rice Powder	Kg	32	3240	103680
2	Caustic Soda	Kg	70	540	37800
3	Uzhunnu Mavu	Kg	115	30600	3519000
4	Oil	Kg	75	900	67500

Courtesy :



5	Salt	Kg	15	1080	16200
6	Packing Cover	Kg	150	204	30600
				Total	3774780

I Wages

Si No	Type of Worker	Numbers	Monthly Wages/Worker	Monthly Wages
1		0	0	0
				Total

J Salary

Si No	Type of Worker	Numbers	Monthly Salary/worker	Monthly Salary
1	Manager/Proprietor	1	15000	15000
2	Worker	2	11250	22500
3	Helper	1	8750	8750
				Total

K Other Expenses / Year

SI No	Elements
1	Repairs & Maintenance
2	Power & Fuel
3	Other Overhead expenses
4	Telephone Expenses
5	Stationery & Postage
6	Advertisement & Publicity
7	Other Miscellaneous Expenses
8	Rent (if building on rental)

Courtesy :



Capacity Utilization of Manufacturing & Administrative Expenses

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Capacity Utilization	70%	72%	74%	76%	78%	80%
No of Shifts/day	1	1	1	1		1

A. Manufacturing Expenses

1

Raw Materials	2642346	2717842	2793337	2868833	2944328	3019823
Wages					0	
Repairs & Maintenance	70000	72000	74000	76000	78000	80000
Power & Fuel	108675	111780	114885	117990	121095	124200
Other Overhead expenses	7000	7200	7400	7600	7800	8000
Total (A)	2765021	2844022	2923022	3002023	3081023	3160023

B. Administrative Expenses

Salary	555000	582750	611888	642482	674606	706730
Telephone Expenses	6000	6600	7260	7986	8785	9600

Stationery & Postage	10000	11000	12100	13310	14641	16105	17716	19487
Advertisement & Publicity	10000	11000	12100	13310	14641	16105	17716	19487
Other Miscellaneous	8000	8800	9680	10648	11713	12884	14172	15590

Courtesy :



Rent (if)	60000	66000	72600	79860	87846	96631	106294	116923
Total (B)	649000	686150	725628	767596	812231	859724	910280	964120

Total A+B	3414021	3530172	3648650	376961	93893255	4019748	4149304	4282145
-----------	---------	---------	---------	--------	----------	---------	---------	---------

• **Assessment of Working Capital**

		1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Capacity Utilization	if 100% Shift/Day	70%	72%	74%	76%	78%	80%
		1	1	1	1	1	1

i Variable Production Cost

Raw Material	3774780	2642346	271784	22793337	2868833	2944328	3019824
Wages	0	0	0	0	0	0	0
Repair & Maintenance	10000	7000	7200	7400	7600	7800	8000
Power & Fuel	155250	108675	111780	114885	117990	121095	124200
Other Overhead Expenses	10000	7000	7200	7400	7600	7800	8000
Total	3950030	2765021	284402	22923022	3002023	3081023	3160024

ii Fixed Production Cost

Salary	555000	555000	582750	611888	642482	674606	708336
Telephone Expenses	6000	6000	6600	7260	7986	8785	9663
Stationery & Postage	10000	10000	11000	12100	13310	14641	16105
Advertisement & Publicity	10000	10000	11000	12100	13310	14641	16105
Other Miscellaneous Expenses	8000	8000	8800	9680	10648	11713	12884
Rent (if)	60000	60000	66000	72600	79860	87846	96631
Total	649000	649000	686150	725628	767596	812231	859724

iii Manufacturing Cost

Variable Production Cost	3950030	2765021	284402	22923022	3002023	3081023	3160024
--------------------------	---------	---------	--------	----------	---------	---------	---------

Fixed Production Cost		649000	649000	686150	725628	767596	812231	859724
	Total	4599030	3414021	353017	23648650	3769619	3893255	4019748

• **Elements of Working Capital & Amount of Working Capital**

Si No	Item	Days	Basis	Amount	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
					70%	72%	74%	76%	78%	80%

1	Raw Material	10	Material Cost	125826	88078	90595	93111	95628	98144	100661
2	Work in Process	1	Production Cost	13167	9217	9480	9743	10007	10270	10533
3	Finished Goods	1	Manufacturing Cost	16257	11380	11767	12162	12565	12978	13399
4	Receivables	7	Manufacturing Cost	113801	79660	82371	85135	87958	90843	93794
5	Working Expenses	25	Fixed Cost	54083	54083	57179	60469	63966	67686	71644
Total				323134	242419	251392	260621	270124	279920	290031
W.C. can be withdrawn from WCL Acc.				258000	258000	258000	258000	258000	258000	258000
Margin of WC to be invested				65134	0	0	2621	12124	21920	32031

Project Cost

& Means of

Finance i Total

Project Cost

	Fixed Capital Investment	70000		70000
		0	Say,`	0
	Working Capital Investment	32313		32300
		4	Say,`	0
		10231		10230
		34	Say,`	00
Means of Finance (Loan from Bank & Own Contribution)				
ii	Term Loan from Bank	56000		
		0	- 80 % of F.C.I.	
	Working Capital Loan from Bank	25800		
		0	- 80 % of W.C.I.	
		81800		
		0		
		20500		
		0		
		10230		
		00		
		19162		
iii	Subsidy Eligible		5 (as per ESS)	

• **Schedule of Repayment of**

Term Loan & Working

Capital Loan i Term Loan

Year	Opening Balance	Installment	Closing Balance	Interest @ 13%
1st Year	560000	124444	435556	72800
2nd Year	435556	186667	248889	56622
3rd Year	248889	186667	62222	32356
4th Year	62222	62222	0	8089
5th Year	0	0	0	0
6th Year	0	0	0	0
7th Year	0	0	0	0
8th Year	0	0	0	0

ii

Working Capital Loan

(Installment of Working Capital is shown as if the WCL is also closed along with the Term Loan)

Year	Opening Balance	Installment	Closing Balance	Interest @ 13.5%

Courtesy :



1st Year	258000	57333	200667	34830
2nd Year	200667	86000	114667	27090
3rd Year	114667	86000	28667	15480
4th Year	28667	28667	0	3870
5th Year	0	0	0	0
6th Year	0	0	0	0
7th Year	0	0	0	0
8th Year	0	0	0	0

Schedule of Depreciation on Fixed Assets

i Building @ 10%

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Opening Balance	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0
Closing Balance	0	0	0	0	0	0	0

ii Machinery & Fixtures @ 10%

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Opening Balance	638750	574875	517388	465649	419084	377175	339458
Depreciation	63875	57487.5	51738.75	46564.88	41908.39	37718	33946
Closing Balance	574875	517388	465649	419084	377175	339458	305512

iii Total Depreciation

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Building	0	0	0	0	0	0	0
Machinery	63875	57488	51739	46565	41908	37718	33946
Total	63875	57488	51739	46565	41908	37718	33946

Financial Analysis of Project

I Projected Profit & Loss Account

In Lakhs

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Capacity Utilization	70%	72%	74%	76%	78%	80%	82%
Sales Or Receipts	41.343	42.525	43.706	44.887	46.068	47.25	48.431
	75	25	5	75	25		

Manufacturing Expenses

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Raw Materials	26.42	27.18	27.93	28.69	29.44	30.20	30.95
Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Courtesy :



Repairs & Maintenance	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08
Power & Fuel	1.09	1.12	1.15	1.18	1.21	1.24	1.27	1.27
Other Overhead expenses	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08
Depreciation	0.64	0.57	0.52	0.47	0.42	0.38	0.34	0.34

Production Cost Total	28.29	29.02	29.75	30.49	31.23	31.98	32.73	33.49
-----------------------	-------	-------	-------	-------	-------	-------	-------	-------

Administrative Expenses

Salary	5.55	5.83	6.12	6.42	6.75	7.08	7.44	7.81
Telephone Expenses	0.06	0.07	0.07	0.08	0.09	0.10	0.11	0.12
Stationery & Postage	0.10	0.11	0.12	0.13	0.15	0.16	0.18	0.19
Advertisement & Publicity	0.10	0.11	0.12	0.13	0.15	0.16	0.18	0.19
Other Miscellaneous Expenses	0.08	0.09	0.10	0.11	0.12	0.13	0.14	0.16
Rent (if)	0.60	0.66	0.73	0.80	0.88	0.97	1.06	1.17
Total (B)	6.49	6.86	7.26	7.68	8.12	8.60	9.10	9.64
Interest on Bank Loan @								
Term Loan 13 %	0.73	0.57	0.32	0.08	0.00	0.00	0.00	0.00
Working Capital Loan 13.5 %	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35

Cost of Sale	35.86	36.79	37.68	38.59	39.70	40.92	42.18	43.48
Preliminary & Pre-Op & Contingency. written-off	0.20	0.20	0.20	0.00	0.00	0.00	0.00	0.00
Net Profit before Tax	5.28	5.53	5.83	6.30	6.37	6.33	6.25	6.14
Less Tax	0.03	0.05	0.08	0.13	0.14	0.13	0.13	0.11
Net Profit	5.26	5.48	5.74	6.17	6.23	6.19	6.13	6.02
Retained Profit	5.26	10.73	16.48	22.64	28.88	35.07	41.19	47.22



Courtesy :

II

Rate of Return (Return on Investment)

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Net Profit	5.26	5.48	5.74	6.17	6.23	6.19	6.13	6.02
Total Investment	10.23	10.23	10.23	10.23	10.23	10.23	10.23	10.23
Rate of Return	51%	54%	56%	60%	61%	61%	60%	59%
Average Rate of Return	56%							

III

Debt Service Credit Ratio (D.S.C.R.)

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Net Profit	5.26	5.48	5.74	6.17	6.23	6.19	6.13	6.02
Add:								
Depreciation + Interest	1.37	1.14	0.84	0.55	0.42	0.38	0.34	0.31
Total - A	6.62	6.62	6.58	6.71	6.65	6.57	6.46	6.33
Payments :								
On Term Loan								
Interest	0.73	0.57	0.32	0.08	0.00	0.00	0.00	0.00
Installments	1.24	1.87	1.87	0.62	0.00	0.00	0.00	0.00
On Working Capital								
Interest	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Total -B	2.32	2.78	2.54	1.05	0.35	0.35	0.35	0.35
DSCR = A/B	2.85	2.38	2.59	6.39	19.10	18.87	18.56	18.17
Average DSCR	2.61							

IV

Cash Flow Statement

Courtesy :



Source	Im period	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Gross Profit	0.00	6.36	6.44	6.50	6.73	6.72	6.68	6.60
Add: Depreciation		0.64	0.57	0.52	0.47	0.42	0.38	0.34
Term Loan	5.60							
Working Capital Loan		2.58	0.00	0.00	0.00	0.00	0.00	0.00
Promoters Capital	1.40	0.00	0.00	0.03	0.10	0.10	0.10	0.10
Preliminary & Pre-Operative & Contingency Written off		0.20	0.20	0.20	0.00	0.00	0.00	0.00
Total	7.00	9.78	7.22	7.25	7.29	7.23	7.15	7.04

Application								
Fixed Capital Invested	7.00							
Increase in Current Assets		2.42	0.09	0.09	0.10	0.10	0.10	0.10
Repayment of Term Loan		1.24	1.87	1.87	0.62	0.00	0.00	0.00
Interest on Term Loan		0.73	0.57	0.32	0.08	0.00	0.00	0.00
Interest on WC Loan		0.35	0.35	0.35	0.35	0.35	0.35	0.35
Income Tax		0.03	0.05	0.08	0.13	0.14	0.13	0.13
Total	7.00	4.77	2.92	2.71	1.28	0.58	0.58	0.58

Opening Balance	0.00	0.00	5.01	9.31	13.84	19.85	26.50	33.07
Surplus	0.00	5.01	4.30	4.53	6.01	6.65	6.57	6.46
Closing Balance	0.00	5.01	9.31	13.84	19.85	26.50	33.07	39.54

Projected Balance Sheet

v

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Liabilities								



Courtesy :

Promoters Capital-periodic	1.40	1.40	1.43	1.52	1.62	1.72	1.82	1.93
Retained Profit	5.26	10.73	16.48	22.64	28.88	35.07	41.19	47.22
Term Loan O/S	4.36	2.49	0.62	0.00	0.00	0.00	0.00	0.00
Working Capital Loan	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58
Current Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sundry Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	13.59	17.20	21.10	26.74	33.07	39.37	45.60	51.73
Assets								
Gross Fixed Assets	6.39	5.75	5.17	4.66	4.19	3.77	3.39	3.06
Less: Depreciation	0.64	0.57	0.52	0.47	0.42	0.38	0.34	0.31
Net Fixed Assets	5.75	5.17	4.66	4.19	3.77	3.39	3.06	2.75
Balance of Preliminary & Pre-Op & Contingency	0.41	0.20	0.00	0.00	0.00	0.00	0.00	0.00
Current Assets	2.42	2.51	2.61	2.70	2.80	2.90	3.00	3.11
Cash in Bank / Hand	5.01	9.31	13.84	19.85	26.50	33.07	39.54	45.87

Total	13.59	17.20	21.10	26.74	33.07	39.37	45.60	51.73
-------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Break Even Analysis

VI - i

FIXED COST

Salaries	5.55	5.83	6.12	6.42	6.75	7.08	7.44	7.81
Repair & Maintenance	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08
Insurance	0.60	0.66	0.73	0.80	0.88	0.97	1.06	1.17
Administrative expenses	0.94	1.03	1.14	1.25	1.38	1.51	1.67	1.83
Depreciation	0.64	0.57	0.52	0.47	0.42	0.38	0.34	0.31
Interest on MM loan								
Interest on Term loan	0.73	0.57	0.32	0.08	0.00	0.00	0.00	0.00
Total	8.53	8.73	8.90	9.10	9.50	10.02	10.59	11.20

VARIABLE COST

Raw Materials	26.42	27.18	27.93	28.69	29.44	30.20	30.95	31.71
Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Power Charges	1.09	1.12	1.15	1.18	1.21	1.24	1.27	1.30
Selling expenses	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08
Interest on WC loan	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35



Courtesy :

Total	27.93	28.72	29.50	30.29	31.08	31.87	32.66	33.44
-------	-------	-------	-------	-------	-------	-------	-------	-------

VI -ii Break Even Point And Ratio Analysis

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Fixed Cost	8.53	8.73	8.90	9.10	9.50	10.02	10.59	11.20
Variable Cost	27.93	28.72	29.50	30.29	31.08	31.87	32.66	33.44
Total Cost	36.46	37.45	38.40	39.39	40.58	41.89	43.24	44.64
Sales	41.34	42.53	43.71	44.89	46.07	47.25	48.43	49.61
Contribution (Sales -VC)	13.42	13.81	14.20	14.59	14.99	15.38	15.77	16.17
B.E.P in % =(FC/Contributi	64%	63%	63%	62%	63%	65%	67%	69%
Break Even Sales =(BEP*Sale	26.28	26.90	27.38	27.98	29.19	30.78	32.50	34.37
Break Even Units in quantity	500536	498135	493360	490851	499030	513041	528531	545521
Current Ratio	2.88	4.58	6.38	8.74	11.36	13.94	16.49	18.99
Net Profit Ratio = (Net Profit/Sales)	13%	13%	13%	14%	14%	13%	13%	12%

VII Debt Equity Ratio

DER = LONG TERM LOAN LIABILITY/(CAPITAL)

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Term Loan O/S	4.36	2.49	0.62	0.00	0.00	0.00	0.00	0.00
Promoters Capital- periodic	1.40	1.40	1.43	1.52	1.62	1.72	1.82	1.93
DER	3.11	1.78	0.44	0.00	0.00	0.00	0.00	0.00
DER (Average 4 yrs)	1.07							

VIII Pay Back Period

Particulars	0th Year	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Cash flows After Tax	-7.65	5.89	6.05	6.26	6.63	6.65	6.57	6.46
PV factor @ K=.13	1.00	0.89	0.78	0.69	0.61	0.54	0.48	0.43



Courtesy :

Present Value @ K=.13	-7.65	5.22	4.74	4.34	4.07	3.60	3.15	2.75
Cumulative Cash		-2.43	2.30	6.64	10.71	14.31	17.47	20.22
Payback Period	1	In between 1 and 2 year						

IX Net Present Value (NPV)

Particulars	0th Year	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Cash flows After Tax	-7.65	5.89	6.05	6.26	6.63	6.65	6.57	6.46
Net Present Value	17.90							

X Internal Rate of Return

Particulars	0th Year	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Cash flows Before Tax	-7.65	5.92	6.10	6.34	6.76	6.79	6.70	6.59
IRR Before Tax -5yrs	75%							
Cash flows After Tax	-7.65	5.89	6.05	6.26	6.63	6.65	6.57	6.46
IRR After Tax -5yrs	75%							

Source:- Udyami Mitra/Sidbi