# PROJECT REPORT

# Of

# AYURVEDIC OIL

## PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Ayurvedic Oil Unit**.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

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**PROJECT AT A GLANCE**

| | | | | | |
|---|---|---|---|---|---|
| 1 | Name of the Entreprenuer | | XXXXXXX | | |
| 2 | Constitution (legal Status) | : | XXXXXXX | | |
| 3 | Father's/Spouce's Name | | XXXXXXXX | | |
| 4 | Unit Address | : | XXXXXXXX | | |
| | | | Taluk/Block: | | |
| | | | District : | XXXXX | |
| | | | Pin: | XXXXX | State: |
| | | | E-Mail : | XXXXX | |
| | | | Mobile | XXXXX | |
| 5 | Product and By Product | : | **Manufacturing of Ayurvedic Oil (100ml,200ml Bottles)** | | |
| 6 | Name of the project / business activity proposed : | | | | |
| 7 | Cost of Project | : | Rs17lac | | |
| 8 | Means of Finance | | | | |
| | Term Loan | | Rs.9.35 Lacs | | |
| | KVIC Margin Money | - | As per Project Eligibility | | |
| | Own Capital | | Rs.1.7 Lacs | | |
| | Working Capital | | Rs.5.95 Lacs | | |
| 9 | Debt Service Coverage Ratio | : | 3.54 | | |
| 10 | Pay Back Period | : | 5 | Years | |
| 11 | Project Implementation Period | : | 6 | Months | |
| 12 | Break Even Point | : | 33% | | |
| 13 | Employment | : | 9 | Persons | |
| 14 | Power Requirement | : | 8.00 | HP | |
| 15 | Major Raw materials | : | **Ayurvedic Oil** | | |
| 16 | Estimated Annual Sales Turnover | : | 32.40 | Lacs | |

16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

| Particulars | Amount |
|---|---|
| Land | Rented/Owned |
| Building & Civil Work (1500Sq Ft) | 3.00 |
| Plant & Machinery | 6.50 |
| Furniture & Fixtures | 0.50 |
| Pre-operative Expenses | 0.39 |
| Working Capital Requirement | 6.61 |
| Total | **17.00** |

MEANS OF FINANCE

| Particulars | Amount |
|---|---|
| Own Contribution @10% | 1.70 |
| Term Loan | 9.35 |
| Workign Capital Finance | 5.95 |
| Total | **17.00** |

| | **General** | **Special** |
|---|---|---|
| Beneficiary's Margin Monery (% of Project Cost) | 10% | 5% |

**PROJECT REPORT**

**ON**

**AYURVEDIC HAIR OIL**


## INTRODUCTION

Hair oils are composed of oils of vegetable origin as a base blended with small quantities of perfumes. Vegetable oils commonly used are coconut oil, castor oil and sesame oil. Hair oils are also coloured with a view to characterizing different brands and also rendering appeal. Being an item of mass consumption and in view of essentially simple nature of operations, a hair oil unit is an attractive project proposition for budding entrepreneurs. Ayurvedic hair oil consists of herbal extracts in hair oil base, like bringaraj, amala brahmi hair oil etc.

Herbal hair oil mainly comprises of oils of vegetable in origin as base and a suitable blended perfume. Vegetable oils commonly used are coconut, caster and seasome oils. To avoid rancidity of hair oils antioxidants are added in very little quantities.

Perfumes used for preparation of hair oils should not fugitive and to prevent this they are usually fixed by sandal wood oils or other fixatives.

The hair oils may be coloured by the use of oil saluble colours. Care should be taken that the dyes used should not be injurious to health. Now a days people

have special attraction for use of herbal hair oil. The ingredients used in herbal hair oil are Amala dry fruits, Mehandi leaves, Brahmi Plant, Lemon oil. Harar dry fruits, Bahera dry fruits, kapurkachari rhizome , Almond oil etc. The ingredient are used from 0.01 to 1%. The ingredients used are either single or in combinations of two or three or more of the above, as per the consumers requirement. Viz- Amla Hair oil or Brahmi- Amla Hair Oil or Almonds hair oil etc. The base of oils remains same.

## MARKET POTENTIAL

While hair oils are used both by the male and female population, its uses amongst females is comparatively more than with males. It may be conservatively assumed that about 80% of the female and 50% of the male population would use hair oils regularly. Taking population of the north eastern region as 34 million, the population of males and females about 50% each, and considering consumption of hair oils amongst males at 500 ml per year and amongst female at 1000 ml per year, the demand potential for hair oils in the north eastern region is estimated at million litres per year. The market for hair oils is dominated by brands of leading companies like Tatas, Dabur and Hindustan Lever.

Local hands can penetrate the market if they are able to sell at a significantly lower price. Although there are a few units producing ayurvedic hair oil, their production is very limited. Assuming that new tiny units can capture 10% of the existing market the demand potential for tiny units is estimated at 1.78 million litres per year which corresponds to about 1500 tons per year of hair oils. Considering the capacity of a typical tiny unit as 30 tons there is scope for over 50 each units to be set up in the region.

## PLANT CAPACITY

A capacity of 30 tons(30,000 Lts) per annum is suggested on the following basis

| | |
|---|---|
| Daily Production | - 100 litres |
| Operating days | - 300 |
| Annual production | - 30 Kilolitres |
| 100 ml bottles | - 150,000 nos. |
| 200 ml. Bottles | - 75,000 nos. |

## RAW MATERIALS

The major raw materials required are coconut oil, castor oil, Sesame oil, perfume, colour. Besides, packing materials including bottles and caps are required. The annual requirement of raw materials is as under :

Qty. Tons/yr.

| | |
|---|---|
| Coconut oil | 24.0 |
| Castor oil | 5.1 |
| Perfume | 0.6 |
| Colour | 0.3 |
| Amla extract | L.S. |

**PROCESS OF MANUFACTURE**

The process of herbal hair oil manufacturing involves following steps:

**Mixing** :

In this step all the ingredients like base oil, herbal extract/oils, perfumes and colours are mixed in the desired proportions in mixing tank using slow speed stirrer for 15-20 Minutes and then allowed to settle for two to three hrs.

**Filteration :**

The oils is now filtered through filter press

**Inspection/Testing** :

Filtered oil is sent to laboratory for necessary testing.

**Botteling And Labelling** :

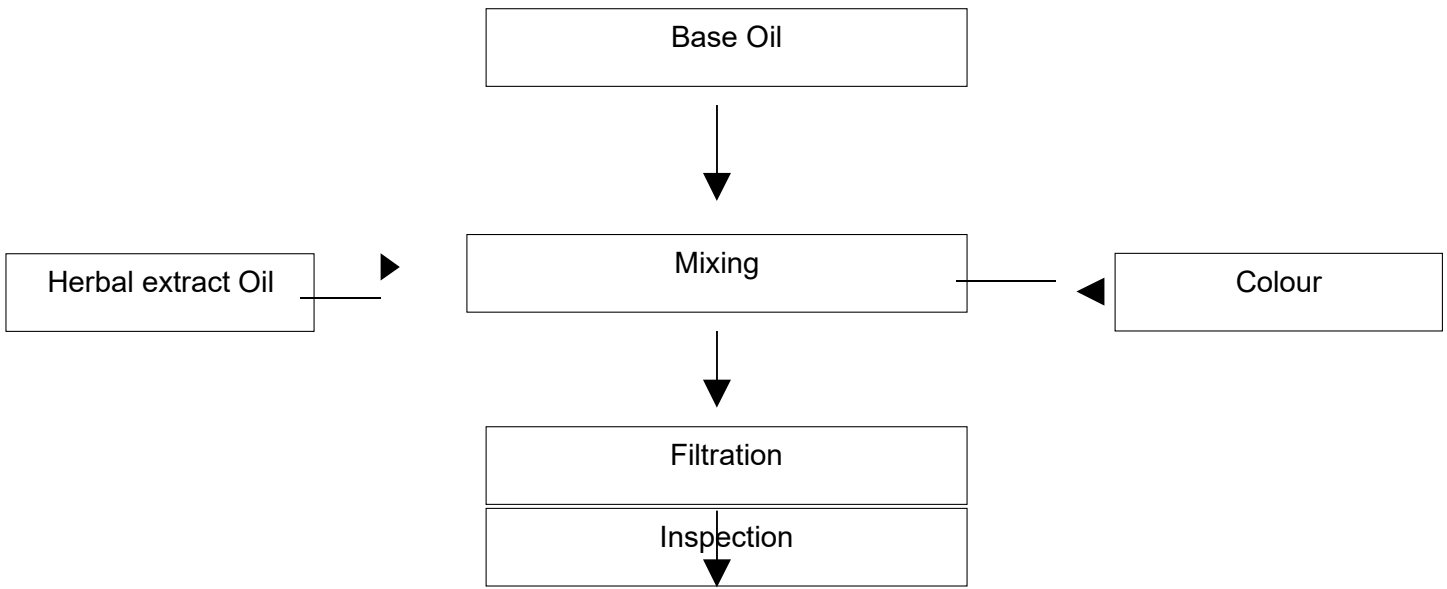
After passing through required inspection, oil is now filled in cleaned and dried bottles in required volumes and then sealed and leveled.

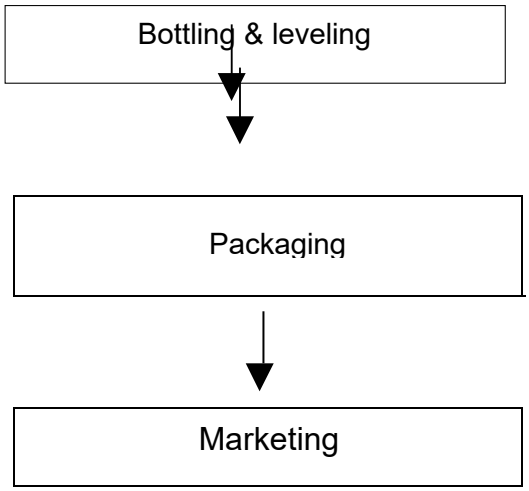
**Packging :**

Bottles are now packed in corrugated boxes for marketing.

Process flow chart is as under:

**PROCESS FLOW CHART**






## QUALITY STANDARDS

The quality of Herbal Hair Oil depends upon the market requirement there is no separate Indian Standard for manufacturing of Herbal Hair Oil. Entrepreneurs are suggested to contact drug controller in this matter. And also advised to appoint an approved / qualified chemist for regular testing & quality control.

## POLLUTION CONTROL

The manufacturing process of herbal hair oil does not attract pollution control measures, however, it is advised to consult State Pollution Control Board and follow the guidelines offered by them.

## ENERGY CONSERVATION :

- Machinery & equipments purchased should be as per relevant standard
- Regular maintenance of machinery's is required.

## EQUIPMENT

The main equipment required for the production of hair oil are:

| | |
|---|---|
| i)Mixing tank with stirrer capacity 50 kg. | 2 Nos. |
| ii)Bottle washing machine | 1 |
| iii) Bottle drier | 1 |
| iv) Filling machine | 1 |
| v) P.P. cap sealing machine | 1 |
| vi) Filtering equipment | 1 |
| vii) Misc. equipment | : |

## INFRASTRUCTURE

The main infrastructure facilities required are:

| | |
|---|---|
| Shed | - 1000 sq,ft, area |
| Power | - 8 KW |
| Water | - 500 Ltrs/day |

**BASIS AND PRESUMPTION:**

1. The production capacity is calculated on single shift basis at 60% efficiency and 300 working days in a year.

2.. The rate of interest in this project profile has been calculated 11.50% per annum on total capital investment. However, this figure is likely to vary depending on the financial outlay of the project as well as location of the unit.

3. The breakeven point has been calculated on the full capacity utilization.

4. The cost of machinery and equipment as indicated refer to a particular make and prices are approximate those prevailing at the time of preparation of project profile. Similarly the land and building indicated in the profile relates to a particular place and should be updated depending upon place of implementation.

5. The cost of installation and electrification is taken at the rate of 10% of the cost of machinery and equipments.

6. Payback period 5 years from second year of operation.

**PROJECTED BALANCE SHEET**

| PARTICULARS | IST YEAR | IIND YEAR | IIIRD YEAR | IVTH YEAR | VTH YEAR |
|---|---|---|---|---|---|
| ***SOURCES OF FUND*** | | | | | |
| Capital Account | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 |
| Retained Profit | 4.61 | 11.01 | 19.44 | 29.79 | 41.94 |
| Term Loan | 9.35 | 7.01 | 4.68 | 2.34 | 0.07 |
| Cash Credit | 5.95 | 5.95 | 5.95 | 5.95 | 5.95 |
| Sundry Creditors | 1.15 | 1.34 | 1.53 | 1.73 | 1.92 |
| Provisions & Other Liab | 0.36 | 0.40 | 0.44 | 0.48 | 0.53 |
| **TOTAL :** | **23.12** | **27.41** | **33.73** | **41.98** | **52.11** |
| ***APPLICATION OF FUND*** | | | | | |
| **Fixed Assets ( Gross)** | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Gross Dep. | 1.30 | 2.45 | 3.44 | 4.29 | 5.03 |
| Net Fixed Assets | 8.70 | 7.55 | 6.56 | 5.71 | 4.97 |
| **Current Assets** | | | | | |
| Sundry Debtors | 3.24 | 4.14 | 4.74 | 5.34 | 5.94 |
| Stock in Hand | 4.52 | 5.28 | 6.03 | 6.79 | 7.54 |
| Cash and Bank | 4.16 | 7.69 | 13.37 | 20.82 | 30.00 |
| Deposits & Advances | 2.50 | 2.75 | 3.03 | 3.33 | 3.66 |
| **TOTAL :** | **23.12** | **27.41** | **33.73** | **41.98** | **52.11** |
| | - | - | - | - | - |

**PROJECTED PROFITABILITY STATEMENT**

| PARTICULARS | IST YEAR | IIND YEAR | IIIRD YEAR | IVTH YEAR | VTH YEAR |
|---|---|---|---|---|---|
| **A) SALES** | | | | | |
| Gross Sale | 32.40 | 41.40 | 47.40 | 53.40 | 59.40 |
| **Total (A)** | **32.40** | **41.40** | **47.40** | **53.40** | **59.40** |
| **B) COST OF SALES** | | | | | |
| Raw Mateiral Consumed | 16.44 | 19.18 | 21.92 | 24.66 | 27.40 |
| Elecricity Expenses | 0.69 | 0.80 | 0.92 | 1.03 | 1.15 |
| Repair & Maintenance | - | 0.41 | 0.47 | 0.53 | 0.59 |
| Labour & Wages | 4.75 | 5.23 | 5.75 | 6.32 | 6.96 |
| Depreciation | 1.30 | 1.15 | 0.99 | 0.86 | 0.74 |
| Consumables and Other Expenses | 0.97 | 1.24 | 1.42 | 1.60 | 1.78 |
| **Cost of Production** | 24.15 | 28.01 | 31.47 | 35.01 | 38.62 |
| **Add: Opening Stock /WIP** | - | 2.88 | 3.36 | 3.84 | 4.32 |
| **Less: Closing Stock /WIP** | 2.88 | 3.36 | 3.84 | 4.32 | 4.80 |
| Cost of Sales (B) | 21.27 | 27.53 | 30.99 | 34.53 | 38.14 |
| **C) GROSS PROFIT (A-B)** | 11.13 | 13.87 | 16.41 | 18.87 | 21.26 |
| | **34%** | **33%** | **35%** | **35%** | **36%** |
| D) Bank Interest (Term Loan ) | 0.81 | 0.97 | 0.71 | 0.44 | 0.17 |
| Bank Interest ( C.C. Limit ) | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 |
| E) Salary to Staff | 3.96 | 4.36 | 4.79 | 5.27 | 5.80 |
| F) Selling & Adm Expenses Exp. | 0.65 | 0.83 | 0.95 | 1.07 | 1.19 |
| TOTAL (D+E) | **6.01** | **6.75** | **7.04** | **7.37** | **7.75** |
| H) NET PROFIT | 5.12 | 7.11 | 9.37 | 11.50 | 13.51 |
| I) Taxation | 0.51 | 0.71 | 0.94 | 1.15 | 1.35 |
| J) PROFIT (After Tax) | 4.61 | 6.40 | 8.43 | 10.35 | 12.16 |

**PROJECTED CASH FLOW STATEMENT**

| PARTICULARS | IST YEAR | IIND YEAR | IIIRD YEAR | IVTH YEAR | VTH YEAR |
|---|---|---|---|---|---|
| ***SOURCES OF FUND*** | | | | | |
| Share Capital | 1.70 | - | | | |
| Reserve & Surplus | 5.12 | 7.11 | 9.37 | 11.50 | 13.51 |
| Depriciation & Exp. W/off | 1.30 | 1.15 | 0.99 | 0.86 | 0.74 |
| Increase in Cash Credit | 5.95 | - | - | - | - |
| Increase In Term Loan | 9.35 | - | - | - | - |
| Increase in Creditors | 1.15 | 0.19 | 0.19 | 0.19 | 0.19 |
| Increase in Provisions | 0.36 | 0.04 | 0.04 | 0.04 | 0.05 |
| **TOTAL :** | **24.93** | **8.49** | **10.59** | **12.59** | **14.49** |
| ***APPLICATION OF FUND*** | | | | | |
| Increase in Fixed Assets | 10.00 | - | - | - | - |
| Increase in Stock | 4.52 | 0.75 | 0.75 | 0.75 | 0.75 |
| Increase in Debtors | 3.24 | 0.90 | 0.60 | 0.60 | 0.60 |
| Increase in Deposits & Adv | 2.50 | 0.25 | 0.28 | 0.30 | 0.33 |
| Repayment of Term Loan | - | 2.34 | 2.34 | 2.34 | 2.27 |
| Taxation | 0.51 | 0.71 | 0.94 | 1.15 | 1.35 |
| **TOTAL :** | **20.78** | **4.95** | **4.90** | **5.14** | **5.31** |
| Opening Cash & Bank Balance | - | 4.16 | 7.69 | 13.37 | 20.82 |
| Add : Surplus | 4.16 | 3.53 | 5.68 | 7.45 | 9.18 |
| Closing Cash & Bank Balance | **4.16** | **7.69** | **13.37** | **20.82** | **30.00** |

**COMPUTATION OF MANUFACTURING OF AYURVEDIC HAIR OIL**

**Items to be Manufactured** Ayurvedic Hair Oil

| | | | |
|---|---|---|---|
| Manufacturing Capacity per day | - | 100.00 | Lts |
| | - | | |
| No. of Working Hour | | 8 | |
| | | | |
| No of Working Days per month | | 25 | |
| | | | |
| No. of Working Day per annum | | 300 | |
| | | | |
| Total Production per Annum | | 30,000.00 | Lts |
| | | | |
| Year | | Capacity | Lts |
| | | Utilisation | |
| | | | |
| IST YEAR | | 60% | 18,000 |
| IIND YEAR | | 70% | 21,000 |
| IIIRD YEAR | | 80% | 24,000 |
| IVTH YEAR | | 90% | 27,000 |
| VTH YEAR | | 100% | 30,000 |
| | | | |

**COMPUTATION OF RAW MATERIAL**

| Item Name | | Quantity of Raw Material MT | Recovery | Unit Rate of /MT | Total Cost Per Annum |
|---|---|---|---|---|---|
| Coconut oil | 100% | 24.00 | 100% | 1,00,000.00 | 24.00 |
| Castor oil | | 5.10 | 100% | 30,000.00 | 1.53 |
| Perfume | | 0.60 | 100% | 3,00,000.00 | 1.80 |
| Colour | | 0.30 | 100% | 24,000.00 | 0.07 |
| | | 30.00 | Total (Rounded off in lacs) | | 27.40 |

Annual Consumption cost ( In Lacs) 27.40

| Raw Material Consumed | Capacity Utilisation | Amount (Rs.) |
|---|---|---|
| IST YEAR | 60% | 16.44 |
| IIND YEAR | 70% | 19.18 |
| IIIRD YEAR | 80% | 21.92 |
| IVTH YEAR | 90% | 24.66 |
| VTH YEAR | 100% | 27.40 |

**COMPUTATION OF CLOSING STOCK & WORKING CAPITAL**

| PARTICULARS | IST YEAR | IIND YEAR | IIIRD YEAR | IVTH YEAR | VTH YEAR |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| **Finished Goods** | | | | | |
| (30 Days requirement) | 2.88 | 3.36 | 3.84 | 4.32 | 4.80 |
| **Raw Material** | | | | | |
| (30Days requirement) | 1.64 | 1.92 | 2.19 | 2.47 | 2.74 |
| | | | | | |
| | | | | | |
| **Closing Stock** | **4.52** | **5.28** | **6.03** | **6.79** | **7.54** |

**COMPUTATION OF WORKING CAPITAL REQUIREMENT**

| Particulars | | | Total |
|---|---|---|---|
| | | | Amount |
| Stock in Hand | | | 4.52 |
| | | | |
| Sundry Debtors | | | 3.24 |
| | | Total | 7.76 |
| Sundry Creditors | | | 1.15 |
| | | | |
| Working Capital Requirement | | | **6.61** |
| | | | |
| Margin | | | 0.66 |
| | | | |
| Working Capital Finance | | | **5.95** |

**BREAK UP OF LABOUR**

| Particulars | | Wages Per Month | No of Employees | Total Salary |
|---|---|---|---|---|
| | | | | |
| Skilled Worker | | 9,000.00 | 2 | 18,000.00 |
| Unskilled Worker | | 6,000.00 | 3 | 18,000.00 |
| | | | | |
| | | | | |
| | | | | 36,000.00 |
| Add: 10% Fringe Benefit | | | | 3,600.00 |
| Total Labour Cost Per Month | | | | 39,600.00 |
| Total Labour Cost for the year ( In Rs. Lakhs) | | | 6.00 | 4.75 |

**BREAK UP OF SALARY**

| Particulars | | Salary Per Month | No of Employees | Total Salary |
|---|---|---|---|---|
| | | | | |
| Manager cum supervisor | | 12,000.00 | 1 | 12,000.00 |
| Accountant | | 8,000.00 | 1 | 8,000.00 |
| Sales | | 10,000.00 | 1 | 10,000.00 |
| Total Salary Per Month | | | | 30,000.00 |
| | | | | |
| Add: 10% Fringe Benefit | | | | 3,000.00 |
| Total Salary for the month | | | | 33,000.00 |
| | | | | |
| Total Salary for the year ( In Rs. Lakhs) | | | 3.00 | 3.96 |

**COMPUTATION OF DEPRECIATION**

| Description | Land | Building/shed | Plant & Machinery | Furniture | **TOTAL** |
|---|---|---|---|---|---|
| | | | | | |
| Rate of Depreciation | | **10.00%** | **15.00%** | **10.00%** | |
| **Opening Balance** | Leased | - | - | - | - |
| Addition | - | 3.00 | 6.50 | 0.50 | 10.00 |
| | - | 3.00 | 6.50 | 0.50 | 10.00 |
| Less : Depreciation | - | 0.30 | 0.98 | 0.03 | 1.30 |
| WDV at end of Ist year | - | 2.70 | 5.53 | 0.48 | 8.70 |
| Additions During The Year | - | - | - | - | - |
| | - | 2.70 | 5.53 | 0.48 | 8.70 |
| Less : Depreciation | - | 0.27 | 0.83 | 0.05 | 1.15 |
| WDV at end of IInd Year | - | 2.43 | 4.70 | 0.43 | 7.55 |
| Additions During The Year | - | - | - | - | - |
| | - | 2.43 | 4.70 | 0.43 | 7.55 |
| Less : Depreciation | - | 0.24 | 0.70 | 0.04 | 0.99 |
| WDV at end of IIIrd year | - | 2.19 | 3.99 | 0.38 | 6.56 |
| Additions During The Year | - | - | - | - | - |
| | - | 2.19 | 3.99 | 0.38 | 6.56 |
| Less : Depreciation | - | 0.22 | 0.60 | 0.04 | 0.86 |
| WDV at end of IV year | - | 1.97 | 3.39 | 0.35 | 5.71 |
| Additions During The Year | - | - | - | - | - |
| | - | 1.97 | 3.39 | 0.35 | 5.71 |
| Less : Depreciation | - | 0.20 | 0.51 | 0.03 | 0.74 |
| WDV at end of Vth year | - | 1.77 | 2.88 | 0.31 | 4.97 |

**REPAYMENT SCHEDULE OF TERM LOAN** 11.5%

| Year | Particulars | Amount | Addition | Total | Interest | Repayment | Cl Balance |
|---|---|---|---|---|---|---|---|
| **IST YEAR** | Opening Balance | | | | | | |
| | Ist Quarter | - | 9.35 | 9.35 | - | - | 9.35 |
| | Iind Quarter | 9.35 | - | 9.35 | 0.27 | - | 9.35 |
| | IIIrd Quarter | 9.35 | - | 9.35 | 0.27 | - | 9.35 |
| | Ivth Quarter | 9.35 | - | 9.35 | 0.27 | - | 9.35 |
| | | | | | 0.81 | - | |
| **IIND YEAR** | Opening Balance | | | | | | |
| | Ist Quarter | 9.35 | - | 9.35 | 0.27 | 0.58 | 8.77 |
| | Iind Quarter | 8.77 | - | 8.77 | 0.25 | 0.58 | 8.18 |
| | IIIrd Quarter | 8.18 | - | 8.18 | 0.24 | 0.58 | 7.60 |
| | Ivth Quarter | 7.60 | | 7.60 | 0.22 | 0.58 | 7.01 |
| | | | | | 0.97 | 2.34 | |
| **IIIRD YEAR** | Opening Balance | | | | | | |
| | Ist Quarter | 7.01 | - | 7.01 | 0.20 | 0.58 | 6.43 |
| | Iind Quarter | 6.43 | - | 6.43 | 0.18 | 0.58 | 5.84 |
| | IIIrd Quarter | 5.84 | - | 5.84 | 0.17 | 0.58 | 5.26 |
| | Ivth Quarter | 5.26 | | 5.26 | 0.15 | 0.58 | 4.68 |
| | | | | | 0.71 | 2.34 | |
| **IVTH YEAR** | Opening Balance | | | | | | |
| | Ist Quarter | 4.68 | - | 4.68 | 0.13 | 0.58 | 4.09 |
| | Iind Quarter | 4.09 | - | 4.09 | 0.12 | 0.58 | 3.51 |
| | IIIrd Quarter | 3.51 | - | 3.51 | 0.10 | 0.58 | 2.92 |
| | Ivth Quarter | 2.92 | | 2.92 | 0.08 | 0.58 | 2.34 |
| | | | | | 0.44 | 2.34 | |
| **VTH YEAR** | Opening Balance | | | | | | |
| | Ist Quarter | 2.34 | - | 2.34 | 0.07 | 0.58 | 1.75 |
| | Iind Quarter | 1.75 | - | 1.75 | 0.05 | 0.58 | 1.17 |
| | IIIrd Quarter | 1.17 | - | 1.17 | 0.03 | 0.55 | 0.62 |
| | Ivth Quarter | 0.62 | | 0.62 | 0.02 | 0.55 | 0.07 |
| | | | | | 0.17 | 2.27 | |

**CALCULATION OF D.S.C.R**

| PARTICULARS | IST YEAR | IIND YEAR | IIIRD YEAR | IVTH YEAR | VTH YEAR |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| **CASH ACCRUALS** | 5.91 | 7.55 | 9.42 | 11.21 | 12.90 |
| | | | | | |
| Interest on Term Loan | 0.81 | 0.97 | 0.71 | 0.44 | 0.17 |
| | | | | | |
| Total | 6.71 | 8.52 | 10.12 | 11.64 | 13.07 |
| | | | | | |
| **REPAYMENT** | | | | | |
| Instalment of Term Loan | 2.34 | 2.34 | 2.34 | 2.27 | 2.27 |
| Interest on Term Loan | 0.81 | 0.97 | 0.71 | 0.44 | 0.17 |
| | | | | | |
| Total | 3.14 | 3.31 | 3.04 | 2.71 | 2.44 |
| | | | | | |
| **DEBT SERVICE COVERAGE RAT** | **2.13** | **2.57** | **3.33** | **4.30** | **5.36** |
| | | | | | |
| **AVERAGE D.S.C.R.** | | | **3.54** | | |

**COMPUTATION OF SALE**

| Particulars | IST YEAR | IIND YEAR | IIIRD YEAR | IVTH YEAR | VTH YEAR |
|---|---|---|---|---|---|
| Op Stock | - | 1,800.00 | 2,100.00 | 2,400.00 | 2,700.00 |
| Production | 18,000.00 | 21,000.00 | 24,000.00 | 27,000.00 | 30,000.00 |
| | 18,000.00 | 22,800.00 | 26,100.00 | 29,400.00 | 32,700.00 |
| Less : Closing Stock | 1,800.00 | 2,100.00 | 2,400.00 | 2,700.00 | 3,000.00 |
| Net Sale | 16,200.00 | 20,700.00 | 23,700.00 | 26,700.00 | 29,700.00 |
| Sale Price per MT | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 |
| **Sale (in Lacs)** | **32.40** | **41.40** | **47.40** | **53.40** | **59.40** |
| | | | | | |

**COMPUTATION OF ELECTRICITY**

| | | | | |
|---|---|---|---|---|
| **(A) POWER CONNECTION** | | | | |
| | | | | |
| Total Working Hour per day | | Hours | 8 | |
| Electric Load Required | | HP | 8 | |
| Load Factor | | | 0.7460 | |
| Electricity Charges | | per unit | 8.00 | |
| Total Working Days | | | 300 | |
| **Electricity Charges ( 8 Hrs Per day )** | | | | 1,14,585.60 |
| | | | | |
| Add : Minimim Charges (@ 10%) | | | | |
| | | | | |
| | | | | |
| **(B) D.G. SET** | | | | |
| No. of Working Days | | | 300 | days |
| No of Working Hours | | | - | Hour per day |
| Total no of Hour | | | - | |
| Diesel Consumption per Hour | | | 8 | |
| Total Consumption of Diesel | | | - | |
| Cost of Diesel | | | 65.00 | Rs. /Ltr |
| Total cost of Diesel | | | - | |
| Add : Lube Cost @15% | | | - | |
| Total | | | - | |
| | | | | |
| Total cost of Power & Fuel at 100% | | | | 1.15 |
| | | | | |
| **Year** | | **Capacity** | | **Amount** |
| | | | | **(in Lacs)** |
| | | | | |
| IST YEAR | | 60% | | 0.69 |
| IIND YEAR | | 70% | | 0.80 |
| IIIRD YEAR | | 80% | | 0.92 |
| IVTH YEAR | | 90% | | 1.03 |
| VTH YEAR | | 100% | | 1.15 |
| | | | | |

**BREAK EVEN POINT ANALYSIS**

| Year | I | II | III | IV | V |
|---|---|---|---|---|---|
| | | | | | |
| **Net Sales & Other Income** | 32.40 | 41.40 | 47.40 | 53.40 | 59.40 |
| Less : Op. WIP Goods | - | 2.88 | 3.36 | 3.84 | 4.32 |
| Add : Cl. WIP Goods | 2.88 | 3.36 | 3.84 | 4.32 | 4.80 |
| | | | | | |
| **Total Sales** | **35.28** | **41.88** | **47.88** | **53.88** | **59.88** |
| | | | | | |
| **Variable & Semi Variable Exp.** | | | | | |
| | | | | | |
| Raw Material & Tax | 16.44 | 19.18 | 21.92 | 24.66 | 27.40 |
| Electricity Exp/Coal Consumption at 85% | 0.58 | 0.68 | 0.78 | 0.88 | 0.97 |
| Manufacturing Expenses 80% | 0.78 | 1.32 | 1.52 | 1.71 | 1.90 |
| Wages & Salary at 60% | 5.23 | 5.75 | 6.32 | 6.96 | 7.65 |
| Selling & adminstrative Expenses 80% | 0.52 | 0.66 | 0.76 | 0.85 | 0.95 |
| Intt. On Working Capital Loan | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 |
| **Total Variable & Semi Variable Exp** | **24.14** | **28.20** | **31.90** | **35.65** | **39.48** |
| | | | | | |
| **Contribution** | **11.14** | **13.68** | **15.98** | **18.23** | **20.40** |
| | | | | | |
| **Fixed & Semi Fixed Expenses** | | | | | |
| | | | | | |
| Manufacturing Expenses 20% | 0.19 | 0.33 | 0.38 | 0.43 | 0.48 |
| Electricity Exp/Coal Consumption at 15% | 0.10 | 0.12 | 0.14 | 0.15 | 0.17 |
| Wages & Salary at 40% | 3.48 | 3.83 | 4.22 | 4.64 | 5.10 |
| Interest on Term Loan | 0.81 | 0.97 | 0.71 | 0.44 | 0.17 |
| Depreciation | 1.30 | 1.15 | 0.99 | 0.86 | 0.74 |
| Selling & adminstrative Expenses 20% | 0.13 | 0.17 | 0.19 | 0.21 | 0.24 |
| **Total Fixed Expenses** | **6.02** | **6.57** | **6.62** | **6.73** | **6.90** |
| | | | | | |
| **Capacity Utilization** | **60%** | **70%** | **80%** | **90%** | **100%** |
| **OPERATING PROFIT** | **5.12** | **7.11** | **9.37** | **11.50** | **13.51** |
| **BREAK EVEN POINT** | **32%** | **34%** | **33%** | **33%** | **34%** |
| **BREAK EVEN SALES** | **19.07** | **20.11** | **19.83** | **19.89** | **20.24** |

**PLANT & MACHINERY**

| | PARTICULARS | QTY. | RATE | AMOUNT IN RS. |
|---|---|---|---|---|
| 1 | Mixing tank with stirrer capacity 50 kg. | 2 | | |
| 2 | Bottle washing machine | 1 | | |
| 3 | Bottle drier | 1 | | |
| 4 | Filling machine | 1 | | |
| 5 | P.P. cap sealing machine | 1 | | |
| 6 | Filtering equipment | 1 | | |
| 7 | Misc. equipment | | | |
| | Total | | | 6,50,000.00 |

SAMADHAN
Nurturing Dreams - Innovative Solutions

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