

# PROJECT REPORT

Of

# ENERGY FOODS

## PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Energy Foods making 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 REPORT ON 'ENERGY FOODS'



### PRODUCT AND APPLICATIONS

Health awareness is fast growing and people are taking to such energy supplements to overcome ageing, tiredness, fatigue and general breakdown of the system. Various supplements are available in the market to lower fats increase stamina etc. People are very conscious of Cholesterol level in blood and avoid fatty foods. They are very selective of their diet and there is marked preference for low calorie high protein food supplements. The energy foods available in market are costly and beyond the reach of common man. Children are yet another group for cheap energy foods.

The technology for such foods has been developed by CFTRI.

India's rural population is subject to three common forms of nutritional deprivation: 1. Inadequacy of food intake among the poorer segment leading to calorie deficiency 2. The extra nutritional need of infants and preschool children 3. Deficiency of specific micronutrients such as Vitamin A and iron

Energy food is prepared from easily available ingredients like wheat, gram dal, jiggery, edible ground nut cake, minerals and vitamins. It is a ready to eat food item and does not require extensive cooking. Depending upon individuals tastes some milk or water can be added. It can also be used with other material while making food items like halwa, chapatti etc.

## MARKET POTENTIAL

Urban market is targeted by the costly variety of energy foods which are generally beyond the reach of semi urban and rural population. A large market exists for such products in rural and semi urban areas. With greater health awareness and contamination of raw vegetables due to pesticides and other chemical fertilizers people prefer diet foods. Thus easy availability at reasonable price provides a large market with the vast rural and semi urban population.

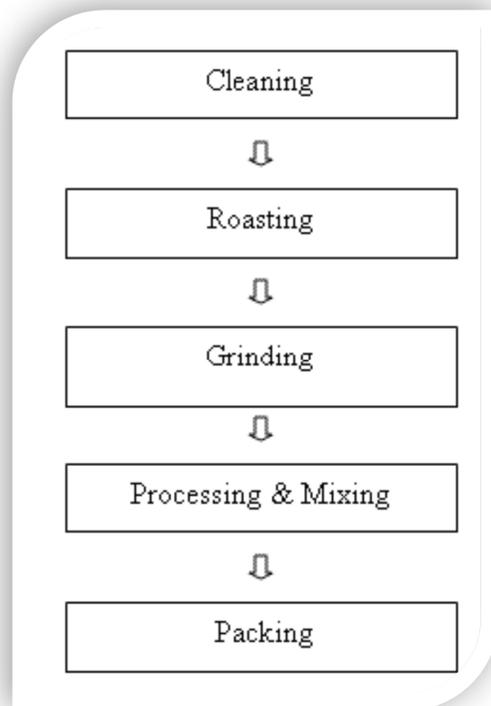
## MANUFACTURING PROCESS & KNOW HOW

The process of manufacturing is not very complicated. Cleaned wheat is roasted in a roaster bin to brown colour and then ground in a hammer mill. Similarly gram dal and edible ground nut cake are also roasted and ground. Next jiggery is mixed with calcium carbonate and wheat flour and processed in multi mill to obtain coarse flour. Finally are the ingredients along with pre-mixed minerals and vitamins are thoroughly mixed and packed. A typical mix could be 60% wheat flour, 10% gram dal, 10% edible ground nut cake, 15-16% jiggery and balance calcium carbonate and vitamins. Quality control is a must.

The process flow chart is as under

Know how is available with Central Government research Laboratories. The machinery is all indigenously available.

The production capacity envisaged is 200 tonnes per annum on two shift basis for 330 days per year.



## PLANT AND MACHINERY

|                               |    | Rs in Lac |
|-------------------------------|----|-----------|
| Electrically operated roaster | 1  | 2.50      |
| Hammer Mill                   | 1  | 0.82      |
| Multi mill.                   | 1  | 0.65      |
| Homogeniser                   | 1  | 0.95      |
| Sieves, SS utensils           | LS | 0.50      |
| Weighing scales               | 1  | 0.20      |
| Installation/Electrification  |    | .38       |
| Total                         |    | 6.00      |

The total cost of machinery is estimated to be Rs.6.00 lakhs.

The unit will also require miscellaneous assets such as furniture, fixtures, storage facilities etc.

The total requirement of power shall be 30 HP, the unit will need 1000 lits of water daily.

## RAW MATERIAL AND PACKING MATERIAL

The basic raw materials for the unit are good quality wheat, gram dal, edible ground nut cake, jiggery are all available locally. Major requirement is that of wheat and for which advance bulk procurement shall have to be made. Printed polythene bags and packing cartons are the basic packing material required.

On an average the raw material cost has been estimated to be Rs.180 lakhs at 100% capacity utilization.

## LAND AND BUILDING

For smooth operation of the unit, it will require 250 sq. mts of open land and a built up area of 150 sq. Mts. The building is taken on rent .

**FSSAI LICENSE:** FSSAI License is issued by the Food Safety and Standards Authority of India (FSSAI), Ministry of Family Health & Welfare, Government of India. Application to commence a food business must be made to the FSSAI in the prescribed format. Based on the application and supporting documents, FSSAI will accord approval. The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations 2011 introduced to improve the hygiene and quality of food has brought about tremendous changes in the food industry. As per the Act, no person shall commence or carry on any food business except under a FSSAI license or FSSAI registration. Therefore, any food manufacturing or processing or packaging or distributing entity is now required to obtain a FSSAI License or Registration.

**PROJECT AT A GLANCE**

- 1 Name of the Entrepreneur : XXXXXXXX
- 2 Constitution (legal Status) : XXXXXXXX
- 3 Father's/Spouce's Name : XXXXXXXX
- 4 Unit Address : XXXXXXXX
- Taluk/Block: XXXXX  
 District : XXXXX State:  
 Pin: XXXXX  
 E-Mail : XXXXX  
 Mobile XXXXX
- 5 Product and By Product : **Energy Foods**
- 6 Name of the project / business activity propose **Energy Foods**
- 7 Cost of Project : Rs22.20lac
- 8 Means of Finance  
 Term Loan Rs.9.21 Lacs  
 KVIC Margin Money - As per Project Eligibility  
 Own Capital Rs.2.22 Lacs  
 Working Capital Rs.10.77 Lacs
- 9 Debt Service Coverage Ratio : 4.49
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 6 Months
- 12 Break Even Point : 28%
- 13 Employment : 6 Persons
- 14 Power Requirement : 30.00 HP
- 15 Major Raw materials : gram dal, edible ground nut cake, jaggery
- 16 Estimated Annual Sales Turnover : 129.96 Lacs
- 16 Detailed Cost of Project & Means of Finance

**COST OF PROJECT**

(Rs. In Lacs)

| Particulars                        | Amount       |
|------------------------------------|--------------|
| Land                               | Rented/Owned |
| Building & Civil Work (2000 Sq Ft) | 3.00         |
| Plant & Machinery                  | 6.00         |
| Furniture & Fixtures               | 0.73         |
| Pre-operative Expenses             | 0.50         |
| Working Capital Requirement        | 11.97        |
| <b>Total</b>                       | <b>22.20</b> |

**MEANS OF FINANCE**

| Particulars             | Amount       |
|-------------------------|--------------|
| Own Contribution @10%   | 2.22         |
| Term Loan               | 9.21         |
| Workign Capital Finance | 10.77        |
| <b>Total</b>            | <b>22.20</b> |

Beneficiary's Margin Money      **General**      **Special**  
 (% of Project Cost)                      10%                      5%

**PLANT & MACHINERY**

| PARTICULARS                   | QTY. | RATE      | AMOUNT IN RS.     |
|-------------------------------|------|-----------|-------------------|
| Electrically operated roaster | 1.00 | 250000.00 | 250000.00         |
| Hammer Mill                   | 1.00 | 82000.00  | 82000.00          |
| Multi mill.                   | 1.00 | 65000.00  | 65000.00          |
| Homogeniser                   | 1.00 | 95,000.00 | 95,000.00         |
| Sieves, SS utensils           | 1.00 | 50,000.00 | 50,000.00         |
| Weighing scales               | 1.00 | 20,000.00 | 20,000.00         |
| Installation /electrification |      |           | 38,000.00         |
| <b>Total</b>                  |      |           | <b>600,000.00</b> |

**PROJECTED CASH FLOW STATEMENT**

| <b>PARTICULARS</b>                | <b>IST YEAR</b> | <b>IIND YEAR</b> | <b>IIIRD YEAR</b> | <b>IVTH YEAR</b> | <b>VTH YEAR</b> |
|-----------------------------------|-----------------|------------------|-------------------|------------------|-----------------|
| <b><u>SOURCES OF FUND</u></b>     |                 |                  |                   |                  |                 |
| Share Capital                     | 2.22            | -                |                   |                  |                 |
| Reserve & Surplus                 | 8.59            | 10.40            | 13.05             | 15.61            | 18.08           |
| Depriciation & Exp. W/off         | 1.24            | 1.10             | 0.96              | 0.83             | 0.72            |
| Increase in Cash Credit           | 10.77           | -                | -                 | -                | -               |
| Increase In Term Loan             | 9.21            | -                | -                 | -                | -               |
| Increase in Creditors             | 5.40            | 0.90             | 0.90              | 0.90             | 0.90            |
| Increase in Provisions            | 0.36            | 0.04             | 0.04              | 0.04             | 0.05            |
| <b>TOTAL :</b>                    | <b>37.78</b>    | <b>12.44</b>     | <b>14.94</b>      | <b>17.38</b>     | <b>19.74</b>    |
| <b><u>APPLICATION OF FUND</u></b> |                 |                  |                   |                  |                 |
| Increase in Fixed Assets          | 9.73            | -                | -                 | -                | -               |
| Increase in Stock                 | 10.87           | 1.55             | 1.33              | 1.33             | 1.33            |
| Increase in Debtors               | 6.50            | 1.43             | 1.14              | 1.14             | 1.14            |
| Increase in Deposits & Adv        | 2.50            | 0.25             | 0.28              | 0.30             | 0.33            |
| Repayment of Term Loan            | -               | 2.30             | 2.30              | 2.30             | 2.25            |
| Taxation                          | -               | 1.04             | 2.61              | 3.12             | 3.62            |
| <b>TOTAL :</b>                    | <b>29.60</b>    | <b>3.47</b>      | <b>7.66</b>       | <b>8.20</b>      | <b>8.67</b>     |
| Opening Cash & Bank Balance       | -               | 8.18             | 17.15             | 24.44            | 33.62           |
| Add : Surplus                     | 8.18            | 8.97             | 7.28              | 9.18             | 11.07           |
| Closing Cash & Bank Balance       | <b>8.18</b>     | <b>17.15</b>     | <b>24.44</b>      | <b>33.62</b>     | <b>44.69</b>    |

**PROJECTED BALANCE SHEET**

| <b>PARTICULARS</b>                | <b>IST YEAR</b> | <b>IIND YEAR</b> | <b>IIRD YEAR</b> | <b>IVTH YEAR</b> | <b>VTH YEAR</b> |
|-----------------------------------|-----------------|------------------|------------------|------------------|-----------------|
| <b><u>SOURCES OF FUND</u></b>     |                 |                  |                  |                  |                 |
| Capital Account                   | 2.22            | 2.22             | 2.22             | 2.22             | 2.22            |
| Retained Profit                   | 8.59            | 17.95            | 28.38            | 40.87            | 55.33           |
| Term Loan                         | 9.21            | 6.91             | 4.60             | 2.30             | 0.05            |
| Cash Credit                       | 10.77           | 10.77            | 10.77            | 10.77            | 10.77           |
| Sundry Creditors                  | 5.40            | 6.30             | 7.20             | 8.10             | 9.00            |
| Provisions & Other Liab           | 0.36            | 0.40             | 0.44             | 0.48             | 0.53            |
| <b>TOTAL :</b>                    | <b>36.55</b>    | <b>44.54</b>     | <b>53.61</b>     | <b>64.74</b>     | <b>77.90</b>    |
| <b><u>APPLICATION OF FUND</u></b> |                 |                  |                  |                  |                 |
| <b>Fixed Assets ( Gross)</b>      | 9.73            | 9.73             | 9.73             | 9.73             | 9.73            |
| Gross Dep.                        | 1.24            | 2.34             | 3.30             | 4.12             | 4.84            |
| Net Fixed Assets                  | 8.49            | 7.39             | 6.43             | 5.61             | 4.89            |
| <b>Current Assets</b>             |                 |                  |                  |                  |                 |
| Sundry Debtors                    | 6.50            | 7.92             | 9.06             | 10.20            | 11.34           |
| Stock in Hand                     | 10.87           | 9.32             | 10.66            | 11.99            | 13.32           |
| Cash and Bank                     | 8.18            | 17.15            | 24.44            | 33.62            | 44.69           |
| Deposits & Advances               | 2.50            | 2.75             | 3.03             | 3.33             | 3.66            |
| <b>TOTAL :</b>                    | <b>36.55</b>    | <b>44.54</b>     | <b>53.61</b>     | <b>64.74</b>     | <b>77.90</b>    |
|                                   | -               | -                | -                | -                | -               |

**PROJECTED PROFITABILITY STATEMENT**

| <b>PARTICULARS</b>              | <b>IST YEAR</b> | <b>IIND YEAR</b> | <b>IIRD YEAR</b> | <b>IVTH YEAR</b> | <b>VTH YEAR</b> |
|---------------------------------|-----------------|------------------|------------------|------------------|-----------------|
| <b><u>A) SALES</u></b>          |                 |                  |                  |                  |                 |
| Gross Sale                      | 129.96          | 158.46           | 181.26           | 204.06           | 226.86          |
| <b>Total (A)</b>                | <b>129.96</b>   | <b>158.46</b>    | <b>181.26</b>    | <b>204.06</b>    | <b>226.86</b>   |
| <b><u>B) COST OF SALES</u></b>  |                 |                  |                  |                  |                 |
| Raw Mateiral Consumed           | 108.00          | 126.00           | 144.00           | 162.00           | 180.00          |
| Elecricity Expenses             | 4.73            | 5.52             | 6.31             | 7.10             | 7.88            |
| Repair & Maintenance            | -               | 1.58             | 1.81             | 2.04             | 2.27            |
| Labour & Wages                  | 3.43            | 3.78             | 4.15             | 4.57             | 5.02            |
| Depriciation                    | 1.24            | 1.10             | 0.96             | 0.83             | 0.72            |
| Consumables and Other Expense   | 2.60            | 3.17             | 3.63             | 4.08             | 4.54            |
| <b>Cost of Production</b>       | <b>120.00</b>   | <b>141.15</b>    | <b>160.85</b>    | <b>180.61</b>    | <b>200.43</b>   |
| <b>Add: Opening Stock /WIP</b>  | <b>-</b>        | <b>5.47</b>      | <b>6.38</b>      | <b>7.30</b>      | <b>8.21</b>     |
| <b>Less: Closing Stock /WIP</b> | <b>5.47</b>     | <b>6.38</b>      | <b>7.30</b>      | <b>8.21</b>      | <b>9.12</b>     |
| Cost of Sales (B)               | 114.53          | 140.24           | 159.94           | 179.70           | 199.52          |
| <b>C) GROSS PROFIT (A-B)</b>    | <b>15.43</b>    | <b>18.22</b>     | <b>21.32</b>     | <b>24.36</b>     | <b>27.34</b>    |
|                                 | <b>12%</b>      | <b>11%</b>       | <b>12%</b>       | <b>12%</b>       | <b>12%</b>      |
| D) Bank Interest (Term Loan )   | 0.79            | 0.96             | 0.69             | 0.43             | 0.17            |
| Bank Interest ( C.C. Limit )    | 1.08            | 1.08             | 1.08             | 1.08             | 1.08            |
| E) Salary to Staff              | 2.38            | 2.61             | 2.87             | 3.16             | 3.48            |
| F) Selling & Adm Expenses Exp.  | 2.60            | 3.17             | 3.63             | 4.08             | 4.54            |
| <b>TOTAL (D+E)</b>              | <b>6.85</b>     | <b>7.82</b>      | <b>8.27</b>      | <b>8.75</b>      | <b>9.26</b>     |
| H) NET PROFIT                   | 8.59            | 10.40            | 13.05            | 15.61            | 18.08           |
| I) Taxation                     | -               | 1.04             | 2.61             | 3.12             | 3.62            |
| J) PROFIT (After Tax)           | 8.59            | 9.36             | 10.44            | 12.49            | 14.46           |



**COMPUTATION OF CLOSING STOCK & WORKING CAPITAL**

| <b>PARTICULARS</b>           | <b>IST YEAR</b> | <b>IIND YEAR</b> | <b>IIIRD YEAR</b> | <b>IVTH YEAR</b> | <b>VTH YEAR</b> |
|------------------------------|-----------------|------------------|-------------------|------------------|-----------------|
|                              |                 |                  |                   |                  |                 |
|                              |                 |                  |                   |                  |                 |
| <b><u>Finished Goods</u></b> |                 |                  |                   |                  |                 |
| (15 Days requirement)        | 5.47            | 6.38             | 7.30              | 8.21             | 9.12            |
| <b><u>Raw Material</u></b>   |                 |                  |                   |                  |                 |
| (15 Days requirement)        | 5.40            | 2.94             | 3.36              | 3.78             | 4.20            |
|                              |                 |                  |                   |                  |                 |
|                              |                 |                  |                   |                  |                 |
| <b>Closing Stock</b>         | <b>10.87</b>    | <b>9.32</b>      | <b>10.66</b>      | <b>11.99</b>     | <b>13.32</b>    |

**COMPUTATION OF WORKING CAPITAL REQUIREMENT**

| <b>Particulars</b>          |  |       | <b>Total<br/>Amount</b> |
|-----------------------------|--|-------|-------------------------|
|                             |  |       |                         |
| Stock in Hand               |  |       | 10.87                   |
|                             |  |       |                         |
| Sundry Debtors              |  |       | 6.50                    |
|                             |  | Total | 17.37                   |
| Sundry Creditors            |  |       | 5.40                    |
|                             |  |       |                         |
| Working Capital Requirement |  |       | <b>11.97</b>            |
|                             |  |       |                         |
| Margin                      |  |       | 1.20                    |
|                             |  |       |                         |
| Working Capital Finance     |  |       | <b>10.77</b>            |

**BREAK UP OF LABOUR**

| Particulars                                    |  | Wages<br>Per Month | No of<br>Employees | Total<br>Salary |
|--|--|--------------------|--------------------|-----------------|
| Skilled Worker                                 |  | 8,000.00           | 2                  | 16,000.00       |
| Semi skilled Worker                            |  | 5,000.00           | 2                  | 10,000.00       |
|  |  |                    |                    |                 |
|  |  |                    |                    | 26,000.00       |
| Add: 10% Fringe Benefit                        |  |                    |                    | 2,600.00        |
| Total Labour Cost Per Month                    |  |                    |                    | 28,600.00       |
| Total Labour Cost for the year ( In Rs. Lakhs) |  |                    | 4                  | 3.43            |

**BREAK UP OF SALARY**

| Particulars                               |  | Salary<br>Per Month | No of<br>Employees | Total<br>Salary |
|---|--|---------------------|--------------------|-----------------|
| Accountant                                |  | 8,000.00            | 1                  | 8,000.00        |
| Sales Representative                      |  | 10,000.00           | 1                  | 10,000.00       |
| Total Salary Per Month                    |  |                     |                    | 18,000.00       |
|   |  |                     |                    |                 |
| Add: 10% Fringe Benefit                   |  |                     |                    | 1,800.00        |
| Total Salary for the month                |  |                     |                    | 19,800.00       |
|   |  |                     |                    |                 |
| Total Salary for the year ( In Rs. Lakhs) |  |                     | 2                  | 2.38            |

**COMPUTATION OF DEPRECIATION**

| Description               | Land   | Building/shed | Plant & Machinery | Furniture | TOTAL |
|---------------------------|--------|---------------|-------------------|-----------|-------|
| Rate of Depreciation      |        | 10.00%        | 15.00%            | 10.00%    |       |
| <b>Opening Balance</b>    | Leased | -             | -                 | -         | -     |
| Addition                  | -      | 3.00          | 6.00              | 0.73      | 9.73  |
| Less : Depreciation       | -      | 3.00          | 6.00              | 0.73      | 9.73  |
| WDV at end of Ist year    | -      | 0.30          | 0.90              | 0.04      | 1.24  |
| Additions During The Year | -      | 2.70          | 5.10              | 0.69      | 8.49  |
| Less : Depreciation       | -      | -             | -                 | -         | -     |
| WDV at end of IIInd Year  | -      | 2.70          | 5.10              | 0.69      | 8.49  |
| Additions During The Year | -      | 0.27          | 0.77              | 0.07      | 1.10  |
| Less : Depreciation       | -      | -             | -                 | -         | -     |
| WDV at end of IIIrd year  | -      | 2.43          | 4.34              | 0.62      | 7.39  |
| Additions During The Year | -      | -             | -                 | -         | -     |
| Less : Depreciation       | -      | 2.43          | 4.34              | 0.62      | 7.39  |
| WDV at end of IV year     | -      | 0.24          | 0.65              | 0.06      | 0.96  |
| Additions During The Year | -      | 2.19          | 3.68              | 0.56      | 6.43  |
| Less : Depreciation       | -      | -             | -                 | -         | -     |
| WDV at end of Vth year    | -      | 2.19          | 3.68              | 0.56      | 6.43  |
| Additions During The Year | -      | 0.22          | 0.55              | 0.06      | 0.83  |
| Less : Depreciation       | -      | -             | -                 | -         | -     |
| WDV at end of VIth year   | -      | 1.97          | 3.13              | 0.51      | 5.61  |
| Additions During The Year | -      | -             | -                 | -         | -     |
| Less : Depreciation       | -      | 1.97          | 3.13              | 0.51      | 5.61  |
| WDV at end of VIIth year  | -      | 0.20          | 0.47              | 0.05      | 0.72  |
| Additions During The Year | -      | 1.77          | 2.66              | 0.46      | 4.89  |
| Less : Depreciation       | -      | -             | -                 | -         | -     |
| WDV at end of VIIIth year | -      | 1.77          | 2.66              | 0.46      | 4.89  |

**REPAYMENT SCHEDULE OF TERM LOAN**

11.5%

| <b>Year</b>       | <b>Particulars</b> | <b>Amount</b> | <b>Addition</b> | <b>Total</b> | <b>Interest</b> | <b>Repayment</b> | <b>CI Balance</b> |
|-------------------|--------------------|---------------|-----------------|--------------|-----------------|------------------|-------------------|
| <b>IST YEAR</b>   | Opening Balance    |               |                 |              |                 |                  |                   |
|                   | Ist Quarter        | -             | 9.21            | 9.21         | -               | -                | 9.21              |
|                   | Iind Quarter       | 9.21          | -               | 9.21         | 0.26            | -                | 9.21              |
|                   | IIIrd Quarter      | 9.21          | -               | 9.21         | 0.26            | -                | 9.21              |
|                   | Ivth Quarter       | 9.21          | -               | 9.21         | 0.26            | -                | 9.21              |
|                   |                    |               |                 |              | 0.79            | -                |                   |
| <b>IIND YEAR</b>  | Opening Balance    |               |                 |              |                 |                  |                   |
|                   | Ist Quarter        | 9.21          | -               | 9.21         | 0.26            | 0.58             | 8.63              |
|                   | Iind Quarter       | 8.63          | -               | 8.63         | 0.25            | 0.58             | 8.06              |
|                   | IIIrd Quarter      | 8.06          | -               | 8.06         | 0.23            | 0.58             | 7.48              |
|                   | Ivth Quarter       | 7.48          | -               | 7.48         | 0.22            | 0.58             | 6.91              |
|                   |                    |               |                 |              | 0.96            | 2.30             |                   |
| <b>IIIRD YEAR</b> | Opening Balance    |               |                 |              |                 |                  |                   |
|                   | Ist Quarter        | 6.91          | -               | 6.91         | 0.20            | 0.58             | 6.33              |
|                   | Iind Quarter       | 6.33          | -               | 6.33         | 0.18            | 0.58             | 5.75              |
|                   | IIIrd Quarter      | 5.75          | -               | 5.75         | 0.17            | 0.58             | 5.18              |
|                   | Ivth Quarter       | 5.18          | -               | 5.18         | 0.15            | 0.58             | 4.60              |
|                   |                    |               |                 |              | 0.69            | 2.30             |                   |
| <b>IVTH YEAR</b>  | Opening Balance    |               |                 |              |                 |                  |                   |
|                   | Ist Quarter        | 4.60          | -               | 4.60         | 0.13            | 0.58             | 4.03              |
|                   | Iind Quarter       | 4.03          | -               | 4.03         | 0.12            | 0.58             | 3.45              |
|                   | IIIrd Quarter      | 3.45          | -               | 3.45         | 0.10            | 0.58             | 2.88              |
|                   | Ivth Quarter       | 2.88          | -               | 2.88         | 0.08            | 0.58             | 2.30              |
|                   |                    |               |                 |              | 0.43            | 2.30             |                   |
| <b>VTH YEAR</b>   | Opening Balance    |               |                 |              |                 |                  |                   |
|                   | Ist Quarter        | 2.30          | -               | 2.30         | 0.07            | 0.58             | 1.73              |
|                   | Iind Quarter       | 1.73          | -               | 1.73         | 0.05            | 0.58             | 1.15              |
|                   | IIIrd Quarter      | 1.15          | -               | 1.15         | 0.03            | 0.55             | 0.60              |
|                   | Ivth Quarter       | 0.60          | -               | 0.60         | 0.02            | 0.55             | 0.05              |
|                   |                    |               |                 |              | 0.17            | 2.25             |                   |

CALCULATION OF D.S.C.R

| PARTICULARS                    | IST YEAR    | IIND YEAR   | IIIRD YEAR  | IVTH YEAR   | VTH YEAR    |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
|                                |             |             |             |             |             |
|                                |             |             |             |             |             |
| <b><u>CASH ACCRUALS</u></b>    | 9.82        | 10.46       | 11.39       | 13.31       | 15.18       |
| Interest on Term Loan          | 0.79        | 0.96        | 0.69        | 0.43        | 0.17        |
| Total                          | 10.62       | 11.42       | 12.09       | 13.74       | 15.35       |
|                                |             |             |             |             |             |
| <b><u>REPAYMENT</u></b>        |             |             |             |             |             |
| Instalment of Term Loan        | 2.30        | 2.30        | 2.30        | 2.25        | 2.25        |
| Interest on Term Loan          | 0.79        | 0.96        | 0.69        | 0.43        | 0.17        |
| Total                          | 3.10        | 3.26        | 3.00        | 2.68        | 2.42        |
|                                |             |             |             |             |             |
| <b>DEBT SERVICE COVERAGE R</b> | <b>3.43</b> | <b>3.50</b> | <b>4.03</b> | <b>5.13</b> | <b>6.35</b> |
|                                |             |             |             |             |             |
| <b>AVERAGE D.S.C.R.</b>        |             |             | <b>4.49</b> |             |             |

**COMPUTATION OF SALE**

| Particulars           | IST YEAR      | IIND YEAR     | IIIRD YEAR    | IVTH YEAR     | VTH YEAR      |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| Op Stock              | -             | 9             | 10            | 11            | 13            |
| Production            | 171           | 200           | 228           | 257           | 285           |
|                       | 171           | 208           | 238           | 268           | 298           |
| Less : Closing Stock  | 9             | 10            | 11            | 13            | 14            |
| Net Sale              | 162           | 198           | 227           | 255           | 284           |
| Sale Price per MT     | 80,000.00     | 80,000.00     | 80,000.00     | 80,000.00     | 80,000.00     |
| <b>Sale (in Lacs)</b> | <b>129.96</b> | <b>158.46</b> | <b>181.26</b> | <b>204.06</b> | <b>226.86</b> |
|                       |               |               |               |               |               |
|                       |               |               |               |               |               |

**COMPUTATION OF ELECTRICITY****(A) POWER CONNECTION**

|  |          |        |            |
|--|----------|--------|------------|
| Total Working Hour per day                   | Hours    | 8      |            |
| Electric Load Required                       | HP       | 30     |            |
| Load Factor                                  |          | 0.7460 |            |
| Electricity Charges                          | per unit | 8.00   |            |
| Total Working Days                           |          | 300    |            |
| <b>Electricity Charges ( 8 Hrs Per day )</b> |          |        | 429,696.00 |

Add : Minimim Charges (@ 10%)

**(B) D.G. SET**

|                                    |  |             |              |
|------------------------------------|--|-------------|--------------|
| No. of Working Days                |  | 300         | days         |
| No of Working Hours                |  | 2           | Hour per day |
| Total no of Hour                   |  | 600         |              |
| Diesel Consumption per Hour        |  | 8           |              |
| Total Consumption of Diesel        |  | 4,800       |              |
| Cost of Diesel                     |  | 65.00       | Rs. /Ltr     |
| Total cost of Diesel               |  | 3.12        |              |
| Add : Lube Cost @15%               |  | 0.47        |              |
| <b>Total</b>                       |  | <b>3.59</b> |              |
| Total cost of Power & Fuel at 100% |  |             | 7.88         |

| <b>Year</b> | <b>Capacity</b> | <b>Amount</b>    |
|-------------|-----------------|------------------|
|             |                 | <b>(in Lacs)</b> |
| IST YEAR    | 60%             | 4.73             |
| IIND YEAR   | 70%             | 5.52             |
| IIIRD YEAR  | 80%             | 6.31             |
| IVTH YEAR   | 90%             | 7.10             |
| VTH YEAR    | 100%            | 7.88             |

## BREAK EVEN POINT ANALYSIS

| Year  | I             | II            | III           | IV            | V             |
|---|---------------|---------------|---------------|---------------|---------------|
| <b>Net Sales &amp; Other Income</b>           | 129.96        | 158.46        | 181.26        | 204.06        | 226.86        |
| Less : Op. WIP Goods                          | -             | 5.47          | 6.38          | 7.30          | 8.21          |
| Add : Cl. WIP Goods                           | 5.47          | 6.38          | 7.30          | 8.21          | 9.12          |
| <b>Total Sales</b>                            | <b>135.43</b> | <b>159.37</b> | <b>182.17</b> | <b>204.97</b> | <b>227.77</b> |
| <b>Variable &amp; Semi Variable Exp.</b>      |               |               |               |               |               |
| Raw Material & Tax                            | 108.00        | 126.00        | 144.00        | 162.00        | 180.00        |
| Electricity Exp/Coal Consumption at 85%       | 4.02          | 4.69          | 5.36          | 6.03          | 6.70          |
| Manufacturing Expenses 80%                    | 2.08          | 3.80          | 4.35          | 4.90          | 5.44          |
| Wages & Salary at 60%                         | 3.48          | 3.83          | 4.22          | 4.64          | 5.10          |
| Selling & administrative Expenses 80%         | 2.08          | 2.54          | 2.90          | 3.26          | 3.63          |
| Intt. On Working Capital Loan                 | 1.08          | 1.08          | 1.08          | 1.08          | 1.08          |
| <b>Total Variable &amp; Semi Variable Exp</b> | <b>120.74</b> | <b>141.94</b> | <b>161.91</b> | <b>181.91</b> | <b>201.96</b> |
| <b>Contribution</b>                           | <b>14.69</b>  | <b>17.43</b>  | <b>20.27</b>  | <b>23.06</b>  | <b>25.82</b>  |
| <b>Fixed &amp; Semi Fixed Expenses</b>        |               |               |               |               |               |
| Manufacturing Expenses 20%                    | 0.52          | 0.95          | 1.09          | 1.22          | 1.36          |
| Electricity Exp/Coal Consumption at 15%       | 0.71          | 0.83          | 0.95          | 1.06          | 1.18          |
| Wages & Salary at 40%                         | 2.32          | 2.56          | 2.81          | 3.09          | 3.40          |
| Interest on Term Loan                         | 0.79          | 0.96          | 0.69          | 0.43          | 0.17          |
| Depreciation                                  | 1.24          | 1.10          | 0.96          | 0.83          | 0.72          |
| Selling & administrative Expenses 20%         | 0.52          | 0.63          | 0.73          | 0.82          | 0.91          |
| <b>Total Fixed Expenses</b>                   | <b>6.10</b>   | <b>7.03</b>   | <b>7.22</b>   | <b>7.45</b>   | <b>7.74</b>   |
| <b>Capacity Utilization</b>                   | <b>60%</b>    | <b>70%</b>    | <b>80%</b>    | <b>90%</b>    | <b>100%</b>   |
| <b>OPERATING PROFIT</b>                       | <b>8.59</b>   | <b>10.40</b>  | <b>13.05</b>  | <b>15.61</b>  | <b>18.08</b>  |
| <b>BREAK EVEN POINT</b>                       | <b>25%</b>    | <b>28%</b>    | <b>29%</b>    | <b>29%</b>    | <b>30%</b>    |
| <b>BREAK EVEN SALES</b>                       | <b>56.27</b>  | <b>64.29</b>  | <b>64.90</b>  | <b>66.26</b>  | <b>68.26</b>  |

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