



DETAILED PROJECT REPORT

ICE CREAM MAKING UNIT

UNDER PMFME SCHEME



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Ministry of Food Processing Industries

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1. PROJECT SUMMARY

1. Name of the proposed project	:	Ice Cream Making Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	171000 Kg/annum(55,60,65,70,&75% capacity utilization in 1 st to 5 th Year respectively)
4. Raw materials	:	Fruit juice, Sweet Orange Essence, Glucose, Cups & cones, Milk, Sugar, Stabilizers, Colors,etc.
5. Major product outputs	:	Ice Cream
6. Total project cost	:	Rs.14.00 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs.8.87 Lakh
• Miscellaneous Fixed Assets	:	Rs.1.80 Lakh
• Working capital	:	Rs.3.33 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs.3.73 Lakh
• Promoter's contribution (min10%)	:	Rs.1.39 Lakh
• Term loan	:	Rs.5.87 Lakh
• Working Capital Requirement	:	Rs.3.00 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1 st year	:	Rs.1.04 Lakh
• 2 nd year	:	Rs.2.09 Lakh
• 3 rd year	:	Rs.3.38 Lakh
• 4 th year	:	Rs.4.70 Lakh
• 5 th year	:	Rs.6.05 Lakh
11. Average DSCR	:	3.29
12. Term loan repayment	:	5 Years with 6 months grace period

2. ABOUT THE PRODUCT

2.1. PRODUCT INTRODUCTION:

Ice cream is a sweetened frozen food typically eaten as a snack or dessert. It may be made from dairy milk or cream and is flavored with a sweetener, either sugar or an alternative, and any spice, such as cocoa or vanilla. Ice cream may be served in dishes, for eating with a spoon, or licked from edible cones. Ice cream may be served with other desserts, such as apple pie, or as an ingredient in ice cream floats, sundaes, milkshakes, ice cream cakes and even baked items, such as Baked Alaska.

Ice cream is a mixture of milk, cream, sugar, and sometimes other ingredients that has been frozen into a soft, creamy delight using special techniques. Ice cream has been a popular treat for hundreds of years but has only become commonplace since the widespread use of refrigeration. The exploding popularity of ice cream has led to a number of ice-cream variations including frozen custard, frozen yogurt, and even non-dairy versions made with ingredients like coconut milk.

The development of ice harvesting and the invention of the insulated icehouse in the nineteenth century made ice more accessible to the general public. In 1846, Nancy Johnson designed a hand-cranked ice cream freezer that improved production slightly. The first documented full-time manufacturing of ice cream took place in Baltimore, Maryland, in 1851 when a milk dealer named Jacob Fussell found himself with a surplus of fresh cream. Working quickly before the cream soured, Fussell made an abundance of ice cream and sold it at a discount. The popular demand soon convinced him that selling ice cream was more profitable than selling milk.

However, production was still cumbersome, and the industry grew slowly until the industrialization movement of the early twentieth century brought electric power, steam power, and mechanical refrigeration.

Type of Ice Cream

- a) **Hard Ice Creams:** This is the traditional type of ice cream which is made using milk, sweeteners, cream, eggs, sugar, and stabilizers. These ice creams are found in shops, cafes and ice cream parlors in different ice cream flavors list.
- b) **French Ice Creams:** These ice creams are made using custard base along with milk, cream, egg yolks, etc. These ice creams are also popularly known as custard ice creams.
- c) **Light Ice Creams:** These are just like the regular easy ice creams with only one minute difference. The milk that is used for preparing these ice creams contains 25% less fat.
- d) **Organic Ice Creams:** This type of ice cream contains the ice cream names that are made using only the natural and organic ingredients. These ice creams are generally considered as good ice cream as they have no side effects on the body.
- e) **No Sugar Ice Creams:** As the name indicates, these ice creams are made by either using artificial sweeteners or sugar substitutes. Some of the latest ice creams are being made using this recipe so as to help the people taste the flavors of ice cream along with taking care of their daily diet. These ice creams can also be termed as sugar-free ice creams.
- f) **Soft Ice Creams:** These soft ice creams are prepared at higher temperatures than the regular ice creams. The production process conducted at a higher temperature helps the ice cream mixtures to be soft, smooth and creamy for the maximum amount of time.
- g) **Lactose-Free Ice Creams:** Lactose is a kind of sugar that is generally found in milk and most of the dairy products. There are many people who have lactose intolerance, which means that they have a problem with digesting lactose.
- h) **Gluten-Free Ice Creams:** Gluten-free ice creams are for people who have celiac disease or people suffering from gluten sensitivity. The celiac diseases are hard to inspect and thus special care should be taken for these people.

2.2 MARKET POTENTIAL:

India's ice cream market, one of the fastest growing markets in the Asia Pacific (APAC) region, is forecast to grow from INR121. 4bn (US\$1.8bn) in 2018 to INR 213. 6bn (US\$2.9bn) in 2023, registering a compound annual growth rate (CAGR) of 12%. The healthy growth of the market can be attributed to numerous forces. Population growth, rising disposable incomes, urbanization rates, changing consumer preferences, improved cold supply chain and growing deep freezer penetration are some of the factors that are broadening the growth aspects of the market.

The overall ice cream market is estimated at over 250 mn litre valued at around Rs. 17 bn. Nearly a fourth of the market by volume at 50 mn litres is in the organized sector with players like Amul, Hindustan Unilever, Mother Dairy, Vadilal having a major share. In value terms, the organized sector has an overall market of over Rs. 10 bn.



2.3 RAW MATERIAL DESCRIPTION:

Following raw material is required as the major raw material for the manufacturing of Ice cream.

- Fruit juice
- Sweet Orange Essence
- Glucose
- Cups & cones
- Milk
- Sugar
- Stabilizers
- Colors: Lemon, yellow, orange etc. / Flavor- Chocolate, Vanilla, Strawberry, Blueberry etc.

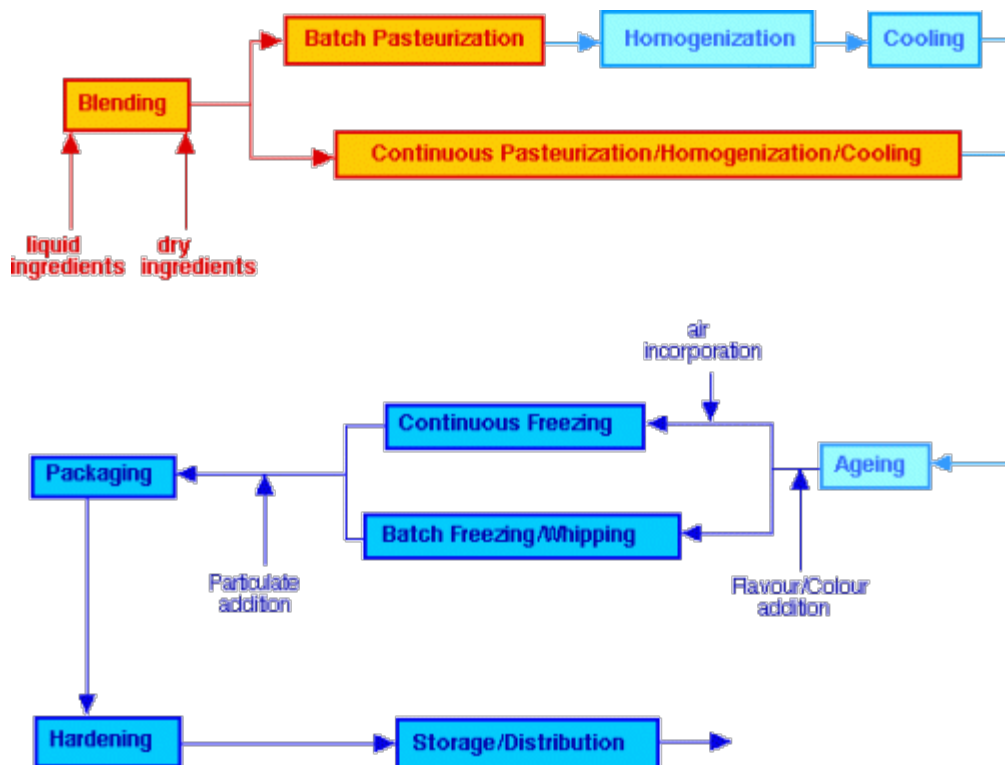
Average raw material (cost per KG): Rs. 65-75

3. PROCESS FLOW CHART

- Preparation of liquid base- For this you will firstly have to collect fresh milk and perform a quality test. Then it will be heated at degree Celsius temperature to separate cream.
- Standardization of this milk will be done wherein fat content is balanced in skim milk in the required quantity.
- Sugar is now added to this milk in the required quantity.
- Milk is now pasteurized, in which milk is heated at 80 to 85 degree temperature for some time. This process helps in reducing spoilage micro-organisms present in milk.

- Now milk is cooled till 15 degree Celsius. Taking the help of pump, milk is now passed into homogenizer here molecular breakdown of fat globules present in milk takes place by high pressure fast flow.
- Now ice cream stabilizers and emulsifiers are added in milk at required composition and is mixed properly by stirring. Now liquid base is ready.
- Now to prepare soft ice cream, this milk is transferred for ageing in ageing tank. Ageing tank temperature is set at 4 to 5 degree Celsius where mixture is kept for 5 to 8 hours.
- After ageing mixture is transferred to flavor tank and flavor essence is added. Then mixture is send to the continuous freezer, where final product is made.
- Packaging in box, cups, cones etc.

FLOW CHART OF ICE CREAM MAKING PROCESS



4. ECONOMICS OF THE PROJECT

4.1. BASIS & PRESUMPTIONS

1. Production Capacity of Ice cream taken is 600 KG per day. First year, Capacity has been taken @ 55%.
2. Working shift of 08 hours per day has been considered.
3. Raw Material stock is for 5 days and finished goods Closing Stock has been taken for 5 days.
4. Credit period to Sundry Debtors has been given for 10 days.
5. Credit period by the Sundry Creditors has been provided for 8 days.
6. Depreciation and Income tax has been taken as per the Income tax Act, 1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 15 KW.
10. Selling Prices & Raw material costing has been increased by 5% & 5% respectively in the subsequent years.

4.2. CAPACITY, UTILIZATION, PRODUCTION & OUTPUT

COMPUTATION OF PRODUCTION OF ICE CREAM

Items to be Manufactured

Ice Cream

Machine capacity Per hour	75	Kg
Total working Hours	8	
Machine capacity Per Day	600	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	5%	
Raw material requirement	180000	Kg
Final Output per annum after wastage	171000	Kg
Final Product to be packed in 750 gram box size		
Number of Boxes per annum	228000	Box

Production of Ice Cream

Production	Capacity	KG
1st year	55%	94,050
2nd year	60%	1,02,600
3rd year	65%	1,11,150
4th year	70%	1,19,700
5th year	75%	1,28,250





Raw Material Cost			
Year	Capacity Utilisation	Rate (per Kg)	Amount (Rs. in lacs)
1st year	55%	65.00	64.35
2nd year	60%	68.00	73.44
3rd year	65%	71.00	83.07
4th year	70%	75.00	94.50
5th year	75%	79.00	106.65

<u>COMPUTATION OF SALE</u>					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	1,568	1,710	1,853	1,995
Production	94,050	1,02,600	1,11,150	1,19,700	1,28,250
Less : Closing Stock	1,568	1,710	1,853	1,995	2,138
Net Sale	92,483	1,02,458	1,11,008	1,19,558	1,28,108
sale price	100.00	105.00	110.00	116.00	122.00
Sales (in Lacs)	92.48	107.58	122.11	138.69	156.29

4.3. PREMISES/INFRASTRUCTURE

The approximate total area required for complete small scale factory setup is 1500-1800 square feet for smooth production including storage area. It is expected that the premises will be on rental.

4.4. MACHINERY & EQUIPMENTS

S.N.	Item Description	Image
1	Batch freezer	
2	<p>Pasteurizer</p> <p>Pasteurization is used to achieve food preservation and food safety. Most liquid products are heat treated in a continuous system where heat can be applied using a plate heat exchanger or the direct or indirect use of hot water and steam.</p>	
3	<p>Homogenizer</p> <p>Homogenization provides the following functions in ice cream manufacture: Reduces size of fat globules. Increases surface area.</p>	
4	Ice cream hardener	

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5	Other Equipment's	Collection tank, Cream separator, ice cream moulds, other handling equipment's, Ageing tank
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Machine	Unit	Rate	Price
Batch freezer (200 Liter)	1	3,80,000	3,80,000
Pasteurizer (100 Liter/hr)	1	1,30,000	1,30,000
Homogenizer (100 Liter)	1	1,32,000	1,32,000
Ice cream hardener	1	95,000	95,000
Other Equipment's	-	1,50,000	1,50,000

Note: Cost of the machinery is approx. Rs.8.87 Lakhs excluding GST and other transportation cost.

4.5. MISCELLANEOUS FIXED ASSETS

- Water Supply Arrangements
- Furniture

4.6. TOTAL COST OF PROJECT

COST OF PROJECT	
	(in Lacs)
PARTICULARS	Amount
Land & Building	Owned/Rented
Plant & Machinery	8.87
Miscellaneous Assets	1.80
Working capital	3.33
Total	14.00

4.7. MEANS OF FINANCE

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution (min 10%)	1.39
Subsidy @35%(Max. Rs 10 Lac)	3.73
Term Loan @ 55%	5.87
Working Capital (Bank Finance)	3.00
Total	14.00

4.8. TERM LOAN: Term loan of Rs.5.87 Lakh is required for project cost of Rs.14.00 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	-	5.87	5.87	-	-	5.87	
	2nd month	5.87	-	5.87	0.05	-	5.87	
	3rd month	5.87	-	5.87	0.05	-	5.87	
	4th month	5.87	-	5.87	0.05		5.87	
	5th month	5.87	-	5.87	0.05		5.87	
	6th month	5.87	-	5.87	0.05		5.87	
	7th month	5.87	-	5.87	0.05	0.11	5.76	
	8th month	5.76	-	5.76	0.05	0.11	5.65	
	9th month	5.65	-	5.65	0.05	0.11	5.54	
	10th month	5.54	-	5.54	0.05	0.11	5.43	
	11th month	5.43	-	5.43	0.05	0.11	5.33	
	12th month	5.33	-	5.33	0.05	0.11	5.22	
					0.58	0.65		
2nd	Opening Balance							
	1st month	5.22	-	5.22	0.05	0.11	5.11	
	2nd month	5.11	-	5.11	0.05	0.11	5.00	
	3rd month	5.00	-	5.00	0.05	0.11	4.89	
	4th month	4.89	-	4.89	0.04	0.11	4.78	
	5th month	4.78	-	4.78	0.04	0.11	4.67	

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6th month	4.67	-	4.67	0.04	0.11	4.56
7th month	4.56	-	4.56	0.04	0.11	4.46
8th month	4.46	-	4.46	0.04	0.11	4.35
9th month	4.35	-	4.35	0.04	0.11	4.24
10th month	4.24	-	4.24	0.04	0.11	4.13
11th month	4.13	-	4.13	0.04	0.11	4.02
12th month	4.02	-	4.02	0.04	0.11	3.91
				0.51	1.30	
3rd	Opening Balance					
1st month	3.91	-	3.91	0.04	0.11	3.80
2nd month	3.80	-	3.80	0.03	0.11	3.69
3rd month	3.69	-	3.69	0.03	0.11	3.59
4th month	3.59	-	3.59	0.03	0.11	3.48
5th month	3.48	-	3.48	0.03	0.11	3.37
6th month	3.37	-	3.37	0.03	0.11	3.26
7th month	3.26	-	3.26	0.03	0.11	3.15
8th month	3.15	-	3.15	0.03	0.11	3.04
9th month	3.04	-	3.04	0.03	0.11	2.93
10th month	2.93	-	2.93	0.03	0.11	2.83
11th month	2.83	-	2.83	0.03	0.11	2.72
12th month	2.72	-	2.72	0.02	0.11	2.61
				0.36	1.30	
4th	Opening Balance					
1st month	2.61	-	2.61	0.02	0.11	2.50
2nd month	2.50	-	2.50	0.02	0.11	2.39

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3rd month	2.39	-	2.39	0.02	0.11	2.28
4th month	2.28	-	2.28	0.02	0.11	2.17
5th month	2.17	-	2.17	0.02	0.11	2.06
6th month	2.06	-	2.06	0.02	0.11	1.96
7th month	1.96	-	1.96	0.02	0.11	1.85
8th month	1.85	-	1.85	0.02	0.11	1.74
9th month	1.74	-	1.74	0.02	0.11	1.63
10th month	1.63	-	1.63	0.01	0.11	1.52
11th month	1.52	-	1.52	0.01	0.11	1.41
12th month	1.41	-	1.41	0.01	0.11	1.30
				0.22	1.30	
5th	Opening Balance					
1st month	1.30	-	1.30	0.01	0.11	1.20
2nd month	1.20	-	1.20	0.01	0.11	1.09
3rd month	1.09	-	1.09	0.01	0.11	0.98
4th month	0.98	-	0.98	0.01	0.11	0.87
5th month	0.87	-	0.87	0.01	0.11	0.76
6th month	0.76	-	0.76	0.01	0.11	0.65
7th month	0.65	-	0.65	0.01	0.11	0.54
8th month	0.54	-	0.54	0.00	0.11	0.43
9th month	0.43	-	0.43	0.00	0.11	0.33
10th month	0.33	-	0.33	0.00	0.11	0.22
11th month	0.22	-	0.22	0.00	0.11	0.11
12th month	0.11	-	0.11	0.00	0.11	-
				0.08	1.30	

DOOR TO DOOR MORATORIUM PERIOD	60	MONTHS
REPAYMENT PERIOD	6	MONTHS
	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
<u>Finished Goods</u>					
	1.39	1.59	1.78	2.02	2.25
<u>Raw Material</u>					
	1.07	1.22	1.38	1.58	1.78
Closing Stock	2.46	2.82	3.17	3.59	4.02

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD				(in Lacs)	
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	2.46				
Less : Creditors	1.72				
Paid stock	0.75	10%	0.07	90%	0.67
Sundry Debtors	3.08	10%	0.31	90%	2.77
	3.83		0.38		3.45
MPBF					3.45
WORKING CAPITAL LIMIT DEMAND (from Bank)					3.00
Working Capital Margin					0.33

4.11. SALARY & WAGES

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages Rs. per Month	No of Employees	Total Salary
Skilled (in thousand rupees)	14,000	2	28,000
Unskilled (in thousand rupees)	8,500	2	17,000
Total salary per month			45,000
Total annual labour charges	(in lacs)		5.40

<u>BREAK UP OF STAFF SALARY CHARGES</u>			
Particulars	Salary Rs. per Month	No of Employees	Total Salary
Helper	7,000	2	14,000
Accountant	15,000	1	15,000
Total salary per month			29,000
Total annual Staff charges	(in lacs)		3.48

4.12 POWER REQUIREMENT

Utility Charges (per month)		
Particulars	value	Description
Power connection required	15	KWH
consumption per day	120	units
Consumption per month	3,000	units
Rate per Unit	10	Rs.
power Bill per month	30,000	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	8.87	1.80	10.67
Total	8.87	1.80	10.67
Less : Depreciation	1.33	0.18	1.51
WDV at end of Year	7.54	1.62	9.16
Additions During The Year	-	-	-
Total	7.54	1.62	9.16
Less : Depreciation	1.13	0.16	1.29
WDV at end of Year	6.41	1.46	7.87
Additions During The Year	-	-	-
Total	6.41	1.46	7.87
Less : Depreciation	0.96	0.15	1.11
WDV at end of Year	5.45	1.31	6.76
Additions During The Year	-	-	-
Total	5.45	1.31	6.76
Less : Depreciation	0.82	0.13	0.95
WDV at end of Year	4.63	1.18	5.81
Additions During The Year	-	-	-
Total	4.63	1.18	5.81
Less : Depreciation	0.69	0.12	0.81
WDV at end of Year	3.94	1.06	5.00

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 %	55%	60%	65%	70%	75%
<u>SALES</u>					
Gross Sale					
Ice Cream	92.48	107.58	122.11	138.69	156.29
Total	92.48	107.58	122.11	138.69	156.29
<u>COST OF SALES</u>					
Raw Material Consumed	64.35	73.44	83.07	94.50	106.65
Electricity Expenses	3.60	4.14	4.76	5.48	6.02
Depreciation	1.51	1.29	1.11	0.95	0.81
Wages & labour	5.40	5.94	6.53	7.06	7.62
Repair & maintenance	2.31	2.69	3.05	3.47	3.91
Packaging	6.20	7.96	8.55	9.57	9.69
Cost of Production	83.37	95.46	107.07	121.02	134.70
Add: Opening Stock /WIP	-	1.39	1.59	1.78	2.02
Less: Closing Stock /WIP	1.39	1.59	1.78	2.02	2.25
Cost of Sales	81.98	95.26	106.88	120.78	134.48
GROSS PROFIT	10.50	12.32	15.23	17.90	21.82
	11.36%	11.45%	12.47%	12.91%	13.96%
Salary to Staff	3.48	4.04	4.92	5.66	6.23
Interest on Term Loan	0.58	0.51	0.36	0.22	0.08
Interest on working Capital	0.33	0.33	0.33	0.33	0.33
Rent	3.60	3.96	4.36	4.79	5.27
selling & adm exp	1.48	1.40	1.83	2.08	3.44
TOTAL	9.47	10.23	11.81	13.09	15.35
NET PROFIT	1.04	2.09	3.42	4.82	6.47
	1.12%	1.94%	2.80%	3.47%	4.14%
Taxation	-	-	0.05	0.12	0.42
PROFIT (After Tax)	1.04	2.09	3.38	4.70	6.05

4.16. BREAK EVEN POINT ANALYSIS

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	92.48	107.58	122.11	138.69	156.29
Less : Op. WIP Goods	-	1.39	1.59	1.78	2.02
Add : Cl. WIP Goods	1.39	1.59	1.78	2.02	2.25
Total Sales	93.87	107.78	122.30	138.92	156.52
Variable & Semi Variable Exp.					
Raw Material Consumed	64.35	73.44	83.07	94.50	106.65
Electricity Exp/Coal Consumption at 85%	3.06	3.52	4.05	4.65	5.12
Wages & Salary at 60%	5.33	5.99	6.88	7.63	8.31
Selling & administrative Expenses 80%	1.18	1.12	1.47	1.66	2.75
Interest on working Capital	0.33	0.33	0.33	0.33	0.33
Repair & maintenance	2.31	2.69	3.05	3.47	3.91
Packaging	6.20	7.96	8.55	9.57	9.69
Total Variable & Semi Variable Exp	82.76	95.04	107.39	121.82	136.76
Contribution	11.11	12.74	14.91	17.10	19.76
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.54	0.62	0.71	0.82	0.90
Wages & Salary at 40%	3.55	3.99	4.58	5.09	5.54
Interest on Term Loan	0.58	0.51	0.36	0.22	0.08
Depreciation	1.51	1.29	1.11	0.95	0.81
Selling & administrative Expenses 20%	0.30	0.28	0.37	0.42	0.69
Rent	3.60	3.96	4.36	4.79	5.27
Total Fixed Expenses	10.08	10.65	11.49	12.29	13.29
Capacity Utilization	55%	60%	65%	70%	75%
OPERATING PROFIT	1.04	2.09	3.42	4.82	6.47
BREAK EVEN POINT	50%	50%	50%	50%	50%
BREAK EVEN SALES	85.12	90.14	94.24	99.80	105.29

4.17. PROJECTED BALANCE SHEET

<u>PROJECTED BALANCE SHEET</u>						(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
<u>Liabilities</u>						
Capital						
opening balance		6.16	7.75	9.62	12.32	
Add:- Own Capital	1.39					
Add:- Retained Profit	1.04	2.09	3.38	4.70	6.05	
Less:- Drawings	-	0.50	1.50	2.00	3.50	
Subsidy/grant	3.73					
Closing Balance	6.16	7.75	9.62	12.32	14.87	
Term Loan	5.22	3.91	2.61	1.30	-	
Working Capital Limit	3.00	3.00	3.00	3.00	3.00	
Sundry Creditors	1.72	1.96	2.22	2.52	2.84	
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86	
TOTAL :	16.49	17.12	18.05	19.87	21.58	
<u>Assets</u>						
Fixed Assets (Gross)	10.67	10.67	10.67	10.67	10.67	
Gross Dep.	1.51	2.80	3.91	4.86	5.67	
Net Fixed Assets	9.16	7.87	6.76	5.81	5.00	
Current Assets						
Sundry Debtors	3.08	3.59	4.07	4.62	5.21	
Stock in Hand	2.46	2.82	3.17	3.59	4.02	
Cash and Bank	1.79	2.85	4.05	5.84	7.35	
TOTAL :	16.49	17.12	18.05	19.87	21.58	

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	1.39				
Net Profit	1.04	2.09	3.42	4.82	6.47
Depriciation & Exp. W/off	1.51	1.29	1.11	0.95	0.81
Increase in Cash Credit	3.00	-	-	-	-
Increase In Term Loan	5.87	-	-	-	-
Increase in Creditors	1.72	0.24	0.26	0.30	0.32
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	3.73				
TOTAL :	18.66	3.72	4.89	6.19	7.75
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	10.67				
Increase in Stock	2.46	0.35	0.35	0.42	0.43
Increase in Debtors	3.08	0.50	0.48	0.55	0.59
Repayment of Term Loan	0.65	1.30	1.30	1.30	1.30
Drawings	-	0.50	1.50	2.00	3.50
Taxation	-	-	0.05	0.12	0.42
TOTAL :	16.87	2.66	3.69	4.40	6.24
Opening Cash & Bank Balance	-	1.79	2.85	4.05	5.84
Add : Surplus	1.79	1.06	1.20	1.79	1.51
Closing Cash & Bank Balance	1.79	2.85	4.05	5.84	7.35

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	2.55	3.38	4.48	5.65	6.86
Interest on Term Loan	0.58	0.51	0.36	0.22	0.08
Total	3.12	3.89	4.85	5.87	6.94
<u>REPAYMENT</u>					
Instalment of Term Loan	0.65	1.30	1.30	1.30	1.30
Interest on Term Loan	0.58	0.51	0.36	0.22	0.08
Total	1.23	1.81	1.67	1.53	1.38
DEBT SERVICE COVERAGE RATIO	2.54	2.14	2.91	3.85	5.02
AVERAGE D.S.C.R.	3.29				