

# Project Report on PAPPAD MANUFACTURING



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## ❖ *Introduction*

Papad is nothing but the thin Indian wafer, which can be referred as a cracker or flat bread. Papad is generally made from dried pulses; it can be eaten fried or roasted. There are varieties 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 ingredients 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.
- 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 enhances 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***

The raw materials of the units are Black gram/Green gram, Rice Powder, Caustic Soda, Salt, Oil. It can be purchased in a large scale and avail locally. The Black gram/Green gram, Caustic 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. Normally, 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 promoter'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.

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

❖ ***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 instalment of loan. The project is technically feasible and financially viable.

# Pappad Manufacturing Unit

## ABSTRACT

- Type of Organization Proprietary
- Building Number /Survey no
- Village
- Activity Pappad Manufacturing (Pappad)
- Scope of Project New Project
- | <u>Project Cost</u> |           | & | <u>Means of Finance</u> |           |
|---------------------|-----------|---|-------------------------|-----------|
| Fixed Investment    | ` 700000  |   | Term Loan               | ` 560000  |
| Working Capital     | ` 323000  |   | W.C. Loan               | ` 258000  |
|                     |           |   |                         | 818000    |
|                     |           |   | Promoter's Share        | ` 205000  |
| Total               | ` 1023000 |   | 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
- BEP 64% (Break Even Point at 70% Capacity Utilization)
- 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 -----

### 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

**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	Black gram/Green	Kg	115	30600	3519000
4	Oil	Kg	75	900	67500

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	Yearly Wages
1		0	0	0	0
				Total	0

**J Salary**

Si No	Type of Worker	Numbers	Monthly Salary/worker	Monthly Salary	Yearly Salary
1	Manager/Proprietor	1	15000	15000	180000
2	Worker	2	11250	22500	270000
3	Helper	1	8750	8750	105000
				Total	555000

**K Other Expenses / Year**

SI No	Elements	Amount
1	Repairs & Maintenance	10000
2	Power & Fuel	155250
3	Other Overhead expenses	10000
4	Telephone Expenses	6000
5	Stationery & Postage	10000
6	Advertisement & Publicity	10000
7	Other Miscellaneous Expenses	8000
8	Rent (if building on rental )	60000

**L Capacity Utilization of Manufacturing & Administrative Expenses**

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Capacity Utilization	70%	72%	74%	76%	78%	80%	82%	84%
No of Shifts/day	1	1	1	1	1	1	1	1

**A. Manufacturing Expenses**

Raw Materials	2642346	2717842	2793337	2868833	2944328	3019824	3095320	3170815
Wages	0	0	0	0	0	0	0	0
Repairs & Maintenance	7000	7200	7400	7600	7800	8000	8200	8400
Power & Fuel	108675	111780	114885	117990	121095	124200	127305	130410
Other Overhead expenses	7000	7200	7400	7600	7800	8000	8200	8400
<b>Total (A)</b>	<b>2765021</b>	<b>2844022</b>	<b>2923022</b>	<b>3002023</b>	<b>3081023</b>	<b>3160024</b>	<b>3239025</b>	<b>3318025</b>

**B. Administrative Expenses**

Salary	555000	582750	611888	642482	674606	708336	743753	780941
Telephone Expenses	6000	6600	7260	7986	8785	9663	10629	11692

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
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	3769619	3893255	4019748	4149304	4282145
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**M Assessment of Working Capital**

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

**i Variable Production Cost**

Raw Material	3774780	2642346	2717842	2793337	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	2844022	2923022	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	2844022	2923022	3002023	3081023	3160024
Fixed Production Cost	649000	649000	686150	725628	767596	812231	859724
Total	4599030	3414021	3530172	3648650	3769619	3893255	4019748

**iv Elements of Working Capital & Amount of Working Capital**

					1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Si No	Item	Days	Basis	Amount	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				<b>323134</b>	<b>242419</b>	<b>251392</b>	<b>260621</b>	<b>270124</b>	<b>279920</b>	<b>290031</b>
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

**1. Project Cost & Means**

**of Finance i Total**

**Project Cost**

Fixed Capital Investment	700000	Say,	<b>700000</b>
Working Capital Investment	323134	Say,	<b>323000</b>
<b>Total</b>	<b>1023134</b>	Say,	<b>1023000</b>

**ii Means of Finance ( Loan from Bank & Own Contribution )**

Term Loan from Bank	560000 - 80 % of F.C.I.
Working Capital Loan from Bank	258000 - 80 % of W.C.I.
<b>Total Loan Amount from Bank</b>	<b>818000</b>
<b>Own Contribution</b>	<b>205000</b>

**Total** 1023000

**iii Subsidy Eligible** 191625 (as per ESS)

**1 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**

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

Year	Opening Balance	Instalment	Closing Balance	Interest @ 13.5%
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	8th Year
Opening Balance	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0
Closing Balance	0	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	8th Year
Opening Balance	638750	574875	517388	465649	419084	377175	339458	305512
Depreciation	63875	57487.5	51738.75	46564.88	41908.39	37718	33946	30551
Closing Balance	574875	517388	465649	419084	377175	339458	305512	274961

##### iii Total Depreciation

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Building	0	0	0	0	0	0	0	0
Machinery	63875	57488	51739	46565	41908	37718	33946	30551
Total	63875	57488	51739	46565	41908	37718	33946	30551

#### 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	8th Year
Capacity Utilization	70%	72%	74%	76%	78%	80%	82%	84%
Sales Or Receipts	41.34375	42.525	43.70625	44.8875	46.06875	47.25	48.43125	49.6125

##### Manufacturing Expenses

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
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	1.30
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	0.31

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

**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	
Instalments	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**

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

**V Projected Balance Sheet**

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
<b>Liabilities</b>								
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	<b>13.59</b>	<b>17.20</b>	<b>21.10</b>	<b>26.74</b>	<b>33.07</b>	<b>39.37</b>	<b>45.60</b>	<b>51.73</b>
<b>Assets</b>								
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
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**VI -i Break Even Analysis**

**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
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
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%							