PROJECT REPORT

OF

GREEN TEA (SMALL SCALE) PROCESSING UNIT

This particular pre-feasibility is regarding Green Tea (Small Scale) Processing 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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GREEN TEA PROCESSING UNIT

1. INTRODUCTION



The Camellia sinensis plant provides all tea leaves. Tea types are created by changing the form and chemistry of the leaf, which is dubbed 'processing' or manufacture' in an unromantic way. Simple tea manufacturing will be covered in this class. There are five main processes in the processing of tea; certain teas do not use all of them, while others repeat them multiple times. Plucking, Withering (allowing the leaves to wilt and soften), Rolling (shaping the leaves and wringing out the fluids), Oxidizing (see below), and Firing are the basic steps in the processing (i.e.: Drying). Oxidizing is the most important phase, as it determines the types of tea. The enzymes in the tea leaf interact with oxygen, resulting in oxidation.

Green tea is harvested, dried, and rolled. It is not oxidised since heat is used to avoid oxidation during the rolling process. The fresh leaves of green tea are steamed or pan-fired (tossed in a hot, dry wok) to a temperature high enough at prevent the enzymes from browning the leaf. It's a lot like blanching veggies. At the same time, the leaves are formed by curving them with the fingers and pushing them into the wok's sides. The leaves are then rolled and spun into a variety of forms, each with its own distinct flavour. The leaves are then fired a last time to thoroughly dry them, and they are finished. Green tea liquid is usually green or yellow in colour, with tastes ranging from toasted, grassy (pan fired teas) to fresh steamed greens (steamed teas) and mild, vegetable-like astringency. During the production process, green tea is processed in a variety of ways. Freshly picked young and unfermented leaves are steamed immediately to avoid fermentation, providing a dry, stable product for making green tea, which may allow for some indoor withering to remove moisture. During the production process, green tea is

processed in a variety of ways. Freshly picked young and unfermented leaves are steamed immediately to avoid fermentation, providing a dry, stable product for making green tea, which may allow for some indoor withering to remove moisture. Processing technology preserves natural poly phenols with regard to health-promoting qualities, and poly phenol components (catechins) in green tea dimerize to create a range of theaflavins, resulting in a diversity of biological activities in these teas. Inactivated enzymes can't break down the tea tissue chlorophyll, which adds to the green colour, therefore it's usually shortly after harvest.

2. MARKET POTENTIAL

Green Tea Market size was assessed at USD 13.35 billion in 2020 and is expected to rise to USD 23.77 billion by 2028, with a CAGR of 7.48 percent from 2021 to 2028. Green tea is in great demand across the world due to its characteristics, such as the health advantages it provides to users. Green tea use on a regular basis also aids in the reduction of body fat. Factors such as rising consumer awareness for healthy and safe products, an increase in the number of people suffering from obesity, cancer, digestive disorders, and other diseases, as well as the benefits of regular green tea consumption, are all contributing to the global Green Tea Market's growth. While all green tea originates from the same plant species, there are different types of green tea grown and produced all over the world today, including China, Japan, India, Sri Lanka, Taiwan, Bangladesh, New Zealand, Hawaii and even South Carolina. Furthermore, the market would be fuelled by rising demand for functional drinks. Consumer demand for functional drinks has risen dramatically as a result of the growing trend of on-the-go nutrition and good hydration. Green tea has a high level of antioxidants that assist to slow down the ageing of cells and tissues while also improving regular bodily function. The market is expanding due to rising demand for nutrient-rich drinks to lower the risk of certain health problems. The Global Green Tea Market is divided into four regions based on geographical analysis: North America, Europe, Asia Pacific, and the Rest of the World. The greatest market for green tea in the world is in Asia Pacific. Green tea is becoming more popular in Asia Pacific countries such as Hong Kong, Taiwan, Japan, India, and China. The Green Tea Market in Asia Pacific is projected to grow further due to rising population and healthcare awareness. The green tea industry's fastest-growing market is Europe.

3. PRODUCT DISCRIPTION

3.1. PRODUCT USES

Green teas are sometimes known as unfermented or non-fermented teas. Green tea, in particular, is frequently touted as being beneficial to one's health. Tea includes compounds that have been associated to a reduction in the risk of heart disease, cancer, and diabetes. Green tea polyphenols are powerful antioxidants.

3.2. RAW MATERIAL REQUIREMENT

- Green Tea Leaves
- Packaging material

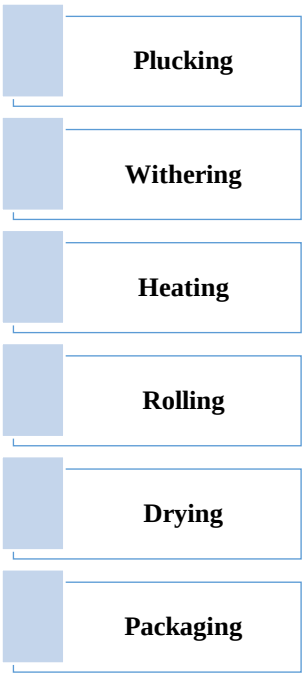
3.3. MANUFACTURING PROCESS

The main difference between green and black tea production is that the leaves do not go through any fermentation process, and the long process of natural withering is substituted with a faster process of steaming or sun drying.

- Plucking- Plucking is a term used in the tea business to describe the act of harvesting. Pick the delicate apical shoots, which include the terminal bud as well as 2/3 of the surrounding leaves. The tea shoot is nipped off by the picker with his thumb and fingers. To ensure the quality and flavor of tea, this standard of plucking is required. Machine plucking is used in some larger gardens, making this requirement harder to maintain because machine plucking results in more damaged leaves and incomplete buds. The leaves are transported from the garden to the facility in open trucks for processing. Before beginning the production process, they are weighed.
- Withering- Good qualities are spread out on laths wrapped with jute, wire, or nylon netting and let to wither in the sun. The withering period varies between 14 and 18 hours, depending on the weather and humidity content of the leaf. For the withering process, normal quality is spread out over big sieves. Huge ventilators force air through the leaf layers from below. During the withering process, the humidity of the still thick, unmalleable leaf is lowered by 30%.
- Heating- In wok-like cast-iron pans, the leaves are now heated for 10 minutes at 280°C. The leaves are twisted and pushed on the heated surface. Larger, automated drums are

sometimes utilized in this procedure. The plant's own enzymes are transformed as a result of the heat. Because oxidation is no longer possible, the green color and fresh, herb-like flavor are retained.

- Rolling- In a so-called rolling machine, the tea leaves are put in between two rotating metal plates. This process takes approximately 15 minutes.
- Drying- Subsequently, the leaves are put into special dryers. Here, there are two turning discs which are heated to 160°C. The drying process serves a few important functions. It first halts both the enzymic and oxidative reactions. Second, drying produces a stable product that may be stored for an extended length of time without losing quality. Last but not least, the drying process is particularly essential for green tea since it is during this phase that green tea develops some desired qualities such as flavor and color.
- Packaging- In the final round the leaves are sorted either manually or sieving machine to sort out the inadequately dried leaves that retain part of its moisture content and the fine leaves are moved forward for packaging.



3.4. YIELD OF PRODUCT/PRODUCTION RATIO

With the given resources, the production capacity of the plant would be around 100 Kg per day. The processing of oolong and green teas is very conventional. Variations in black tea

processing, on the other hand, are more prevalent. Freshly plucked leaves are withered, rolled, fermented, and fired in traditional black tea manufacturing. In the early operations, more contemporary mechanical systems differ. Instead of just rolling the leaves, machinery is used to crush, chop, and curl the leaves. The major goal of green tea processing is to destroy the oxidase enzymes that cause fermentation in the leaves. Depending on the conditions and demand, 100 kg fresh green leaf makes 45 to 70 kilogrammes withering tea. Green tea is generally known to have lower caffeine content per cup than black tea and much lower caffeine content than coffee. Like all drinks cultivated from caffeinated plants, however, a specific level of caffeine per cup of green tea is hard to define as it will depend on the type of green tea as well as how is was processed and prepared.

4. PROJECT COMPONENTS

4.1. Land /Civil Work

The land require for a green tea processing unit will be approx. around 800-1000 sq. ft.

4.2. Plant & Machinery

- **Tea Steamer-** This machine is used to steam the leaves to prevent the oxidation of the leaves such that its green color remains intact.



- **Tea Roller-** The Rolling Machine is used to crank up leaves rolled into a bar and broken cells, with controlled process parameters such as the cable tight knot, low broken tea, and so on. It is suitable to all types of rolled tea processing, and the rub ribs level must be specified during the purchase.



- **Dryer Machine-** To achieve the moisture level of dried black tea, the tea drying machine decreases moisture content from fermented and rolled tea leaves. Tea may be given a nice scent by completing the process with the use of a tea drier.



- **Grading Machine-** Tea grader is a technical machine helps to identify the defects of tea leaves according to size, shape, and color.



- **Packaging Machine-** A packing machine takes a group of items and packs them together for shipping. There are many styles of case packing that are available based on the type of product that is being packaged. There are several types of packing machines that are available.



S No.	Name of the machineries	Unit Price	Qty	Cost (INR)
1.	Tea Steamer	1,80,000	1	1,80,000
2.	Tea Roller	3,40,000	1	3,40,000
3.	Dryer Machine	1,00,000	1	1,00,000
4.	Grading Machine	6,00,000	1	5,00,000
5.	Packaging Machine	3,50,000	1	3,50,000
TOTAL				**14,70,000**

4.3.Power Requirement

The industry requires the power load of 6-10 KW.

4.4. Manpower Requirement

Human Resource required for Green Tea processing unit would be 5-8 workers, including skilled, un-skilled workers & Supervisor.

4.5. Other Utilities

General electrical apparatus, Water, telephone etc.

5. LICENSE AND APPROVALS

- MSME Udyam online registration.
- GST Registration
- FSSAI

7. FINANCIALS

COST OF PROJECT (in Lacs)	
PARTICULARS	**AMOUNT**
Land & Building	Owned/rented
Plant & Machinery	14.70
Miscellaneous Assets	0.75
Furniture	0.50
Working capital	3.72
Total	**19.67**

MEANS OF FINANCE	
PARTICULARS	**AMOUNT**
Own Contribution @ 10%	1.97
Term Loan @ 90%	14.36
Working Capital (Bank Finance)	3.35
Total	**19.67**

PROJECTED BALANCE SHEET **(in Lacs)**

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Liabilities					
Capital					
Opening Balance		5.15	7.89	10.09	12.60
Add:- Own Capital	1.97				
Add:- Retained Profit	6.18	7.75	9.19	10.51	11.86
Less:- Drawings	3.00	5.00	7.00	8.00	9.00
Closing Balance	5.15	7.89	10.09	12.60	15.46
Term Loan	12.76	9.57	6.38	3.19	-
Working Capital Limit	3.35	3.35	3.35	3.35	3.35
Sundry Creditors	2.77	3.28	3.65	4.05	4.47
Provisions & Other Liabilities	1.00	1.50	1.80	2.16	2.59
TOTAL :	**25.03**	**25.59**	**25.27**	**25.35**	**25.88**
Assets					
Fixed Assets (Gross)	15.95	15.95	15.95	15.95	15.95
Gross Depriciation	2.37	4.38	6.10	7.56	8.80
Net Fixed Assets	**13.58**	**11.57**	**9.85**	**8.39**	**7.15**
Current Assets					
Sundry Debtors	2.82	3.39	3.86	4.37	4.92
Stock in Hand	3.67	4.40	5.01	5.66	6.37
Cash and Bank	1.95	3.73	5.05	4.17	3.44
Loans and advances/other current assets	3.00	2.50	1.50	2.75	4.00
TOTAL :	**25.03**	**25.59**	**25.27**	**25.35**	**25.88**

PROJECTED CASH FLOW STATEMENT **(in Lacs)**

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
SOURCES OF FUND					
Own Margin	1.97				
Net Profit	6.63	8.59	10.46	12.34	14.27
Depriciation & Exp. W/off	2.37	2.01	1.71	1.46	1.24
Increase in Cash Credit	3.35	-	-	-	-
Increase In Term Loan	14.36	-	-	-	-
Increase in Creditors	2.77	0.51	0.38	0.39	0.42
Increase in Provisions & Other liabilities	1.00	0.50	0.30	0.36	0.43
TOTAL :	**32.44**	**11.61**	**12.85**	**14.55**	**16.37**
APPLICATION OF FUND					
Increase in Fixed Assets	15.95				
Increase in Stock	3.67	0.73	0.61	0.65	0.70
Increase in Debtors	2.82	0.57	0.47	0.51	0.55
Increase in loans and advances	3.00	- 0.50	- 1.00	1.25	1.25
Repayment of Term Loan	1.60	3.19	3.19	3.19	3.19
Drawings	3.00	5.00	7.00	8.00	9.00
Taxation	0.45	0.84	1.26	1.83	2.41
TOTAL :	**30.49**	**9.83**	**11.53**	**15.43**	**17.10**
Opening Cash & Bank Balance	-	1.95	3.73	5.05	4.17
Add : Surplus	1.95	1.78	1.32	-0.88	-0.73
Closing Cash & Bank Balance	**1.95**	**3.73**	**5.05**	**4.17**	**3.44**

PROJECTED PROFITABILITY STATEMENT **(in Lacs)**

PARTICULARS	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**
Capacity Utilisation %	**55%**	**60%**	**65%**	**70%**	**75%**
SALES					
Green Tea	70.54	84.79	96.54	109.23	122.89
Total	**70.54**	**84.79**	**96.54**	**109.23**	**122.89**
COST OF SALES					
Raw material cost	43.73	49.14	54.80	60.69	67.05
Electricity Expenses	0.84	0.92	1.00	1.08	1.15
Depreciation	2.37	2.01	1.71	1.46	1.24
Wages & labour	10.44	12.53	15.03	18.04	21.65
Repair & maintenance	0.35	0.85	1.21	1.64	2.03
Consumables	1.06	1.27	1.45	1.64	1.84
Packaging cost	0.88	1.23	1.54	1.86	2.09
Cost of Production	59.67	67.95	76.74	86.40	97.05
Add: Opening Stock	-	3.53	4.24	4.83	5.46
Less: Closing Stock	3.53	4.24	4.83	5.46	6.14
Cost of Sales	56.14	67.24	76.15	85.76	96.37
GROSS PROFIT	**14.39**	**17.54**	**20.39**	**23.46**	**26.52**
Salary to Staff	3.12	3.59	4.13	4.75	5.46
Interest on Term Loan	1.41	1.24	0.89	0.54	0.19
Interest on working Capital	0.37	0.37	0.37	0.37	0.37
Rent	2.16	2.48	2.86	3.29	3.78
Selling & Administration Expenses	0.71	1.27	1.69	2.18	2.46
TOTAL	**7.77**	**8.96**	**9.93**	**11.12**	**12.25**
NET PROFIT	6.63	8.59	10.46	12.34	14.27
Taxation	0.45	0.84	1.26	1.83	2.41
PROFIT (After Tax)	6.18	7.75	9.19	10.51	11.86

CALCULATION OF D.S.C.R

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	8.55	9.76	10.91	11.97	13.10
Interest on Term Loan	1.41	1.24	0.89	0.54	0.19
Total	9.96	11.00	11.80	12.51	13.29
REPAYMENT					
Instalment of Term Loan	1.60	3.19	3.19	3.19	3.19
Interest on Term Loan	1.41	1.24	0.89	0.54	0.19
Total	3.01	4.43	4.08	3.73	3.38
DEBT SERVICE COVERAGE RATIO	**3.31**	**2.48**	**2.89**	**3.35**	**3.93**
AVERAGE D.S.C.R.					**3.19**

COMPUTATION OF PRODUCTION OF Green Tea		
Items to be Produced		
Green Tea		
Machine capacity per day	100	Kgs
Working Hours in a day	8	Hours
Total Shifts	1	Numbers
Working days in a month	25	Days
Working days per annum	300	Days
Machine capacity per annum	30000	Kgs

Production of Green Tea		
Production	**Capacity**	**Kgs**
1st year	55%	16,500
2nd year	60%	18,000
3rd year	65%	19,500
4th year	70%	21,000
5th year	75%	22,500

Raw material cost			
Year	**Capacity**	**Rate (per Kg)**	**Amount (Rs. in lacs)**
1st year	55%	265.00	43.73
2nd year	60%	273.00	49.14
3rd year	65%	281.00	54.80
4th year	70%	289.00	60.69
5th year	75%	298.00	67.05

COMPUTATION OF SALE-Green Tea

Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	825	900	975	1,050
Production	16,500	18,000	19,500	21,000	22,500
Less : Closing Stock (15 Days)	825	900	975	1,050	1,125
Net Sale	**15,675**	**17,925**	**19,425**	**20,925**	**22,425**
Sale revenue per Kg	450.00	473.00	497.00	522.00	548.00
Sales (in Lacs)	70.54	84.79	96.54	109.23	122.89

BREAK UP OF LABOUR CHARGES

Particulars	Wages Rs. per Month	No of Employees	Total Salary
Skilled	16,000	3	48,000
Semi skilled	13,000	3	39,000
Total salary per month			**87,000**
Total annual labour charges	**(in lacs)**		**10.44**

BREAK UP OF Staff Salary CHARGES

Particulars	Salary Rs. per Month	No of Employees	Total Salary
Helper	10,000	1	10,000
Admin Staff	16,000	1	16,000
Total salary per month			**26,000**
Total annual Staff charges	**(in lacs)**		**3.12**

Utility Charges (per month)		
Particulars	**value**	**Description**
Power connection required	8	KWH
consumption per day	64	units
Consumption per month	1600	units
Rate per Unit	8	Rs.
Power Bill per month	12800	Rs.
Year	**Capacity**	**Rs. In Lacs**
1st year	55%	0.84
2nd year	60%	0.92
3rd year	65%	1.00
4th year	70%	1.08
5th year	75%	1.15

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					**(in Lacs)**
PARTICULARS	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**
Finished Goods					
(15 Days)	3.53	4.24	4.83	5.46	6.14
Raw Material					
(1 Days)	0.15	0.16	0.18	0.20	0.22
Closing Stock	**3.67**	**4.40**	**5.01**	**5.66**	**6.37**

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					(in Lacs)
Particulars	**Amount**	**Own Margin**		**Bank Finance**	
Finished Goods & Raw Material	3.67				
Less : Creditors	2.77				
Paid stock	**0.90**	**10%**	**0.09**	90%	**0.81**
Sundry Debtors	**2.82**	**10%**	**0.28**	**90%**	**2.54**
	3.72		**0.37**		**3.35**
MPBF					**3.35**
WORKING CAPITAL LIMIT DEMAND (from Bank)					**3.35**

COMPUTATION OF DEPRECIATION				(in Lacs)
Description	**Plant & Machinery**	**Miss. Assets**	**Furniture**	**TOTAL**
Rate of Depreciation	**15.00%**	**15.00%**	**10.00%**	
Opening Balance	-	-		-
Addition	14.70	0.75	0.50	15.95
Total	14.70	0.75	0.50	15.95
Less : Depreciation	2.21	0.11	0.05	2.37
WDV at end of Year	**12.50**	**0.64**	**0.45**	**13.58**
Additions During The Year	-	-	-	-
Total	12.50	0.64	0.45	13.58
Less : Depreciation	1.87	0.10	0.05	2.01
WDV at end of Year	**10.62**	**0.54**	**0.41**	**11.57**
Additions During The Year	-	-	-	-
Total	10.62	0.54	0.41	11.57
Less : Depreciation	1.59	0.08	0.04	1.71
WDV at end of Year	**9.03**	**0.46**	**0.36**	**9.85**
Additions During The Year	-	-	-	-
Total	9.03	0.46	0.36	9.85
Less : Depreciation	1.35	0.07	0.04	1.46
WDV at end of Year	**7.67**	**0.39**	**0.33**	**8.39**
Additions During The Year	-	-	-	-
Total	7.67	0.39	0.33	8.39
Less : Depreciation	1.15	0.06	0.03	1.24
WDV at end of Year	**6.52**	**0.33**	**0.30**	**7.15**

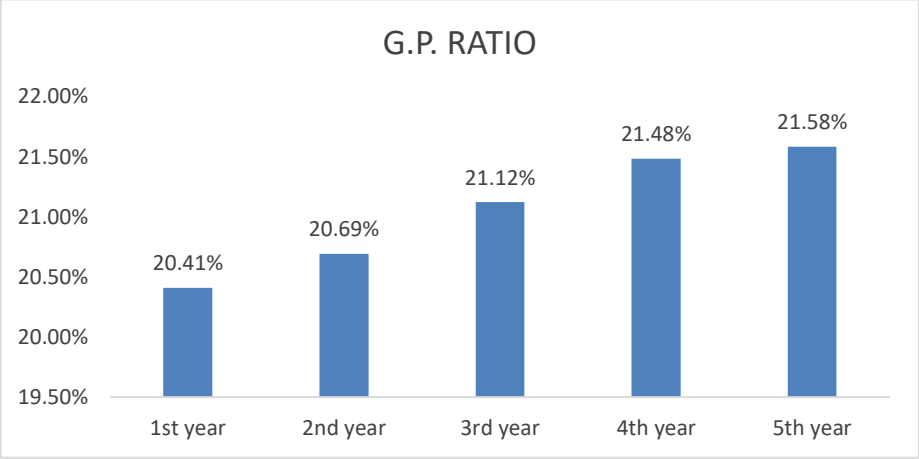
REPAYMENT SCHEDULE OF TERM LOAN							
					Interest		11.00%
Year	**Particulars**	**Amount**	**Addition**	**Total**	**Interest**	**Repayment**	**Closing Balance**
1st	Opening Balance	-					
	1st month		14.36	14.36	-		14.36
	2nd month	14.36	-	14.36	0.13	-	14.36
	3rd month	14.36	-	14.36	0.13	-	14.36
	4th month	14.36	-	14.36	0.13	-	14.36
	5th month	14.36	-	14.36	0.13	-	14.36
	6th month	14.36	-	14.36	0.13	-	14.36
	7th month	14.36	-	14.36	0.13	0.27	14.09
	8th month	14.09	-	14.09	0.13	0.27	13.82
	9th month	13.82	-	13.82	0.13	0.27	13.56
	10th month	13.56	-	13.56	0.12	0.27	13.29
	11th month	13.29	-	13.29	0.12	0.27	13.03
	12th month	13.03	-	13.03	0.12	0.27	12.76
					1.41	**1.60**	
2nd	Opening Balance						
	1st month	12.76	-	12.76	0.12	0.27	12.49
	2nd month	12.49	-	12.49	0.11	0.27	12.23
	3rd month	12.23	-	12.23	0.11	0.27	11.96
	4th month	11.96	-	11.96	0.11	0.27	11.70
	5th month	11.70	-	11.70	0.11	0.27	11.43
	6th month	11.43	-	11.43	0.10	0.27	11.17
	7th month	11.17	-	11.17	0.10	0.27	10.90
	8th month	10.90	-	10.90	0.10	0.27	10.63
	9th month	10.63	-	10.63	0.10	0.27	10.37
	10th month	10.37	-	10.37	0.10	0.27	10.10
	11th month	10.10	-	10.10	0.09	0.27	9.84
	12th month	9.84	-	9.84	0.09	0.27	9.57
					1.24	**3.19**	
3rd	Opening Balance						
	1st month	9.57	-	9.57	0.09	0.27	9.30
	2nd month	9.30	-	9.30	0.09	0.27	9.04
	3rd month	9.04	-	9.04	0.08	0.27	8.77
	4th month	8.77	-	8.77	0.08	0.27	8.51
	5th month	8.51	-	8.51	0.08	0.27	8.24
	6th month	8.24	-	8.24	0.08	0.27	7.98
	7th month	7.98	-	7.98	0.07	0.27	7.71
	8th month	7.71	-	7.71	0.07	0.27	7.44
	9th month	7.44	-	7.44	0.07	0.27	7.18

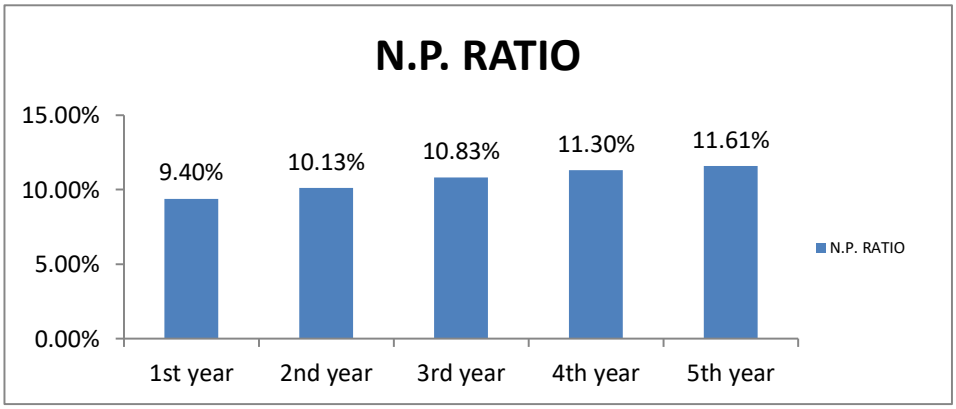
	10th month	7.18	-	7.18	0.07	0.27	6.91
	11th month	6.91	-	6.91	0.06	0.27	6.65
	12th month	6.65	-	6.65	0.06	0.27	6.38
					0.89	**3.19**	
4th	Opening Balance						
	1st month	6.38	-	6.38	0.06	0.27	6.11
	2nd month	6.11	-	6.11	0.06	0.27	5.85
	3rd month	5.85	-	5.85	0.05	0.27	5.58
	4th month	5.58	-	5.58	0.05	0.27	5.32
	5th month	5.32	-	5.32	0.05	0.27	5.05
	6th month	5.05	-	5.05	0.05	0.27	4.79
	7th month	4.79	-	4.79	0.04	0.27	4.52
	8th month	4.52	-	4.52	0.04	0.27	4.25
	9th month	4.25	-	4.25	0.04	0.27	3.99
	10th month	3.99	-	3.99	0.04	0.27	3.72
	11th month	3.72	-	3.72	0.03	0.27	3.46
	12th month	3.46	-	3.46	0.03	0.27	3.19
					0.54	**3.19**	
5th	Opening Balance						
	1st month	3.19	-	3.19	0.03	0.27	2.92
	2nd month	2.92	-	2.92	0.03	0.27	2.66
	3rd month	2.66	-	2.66	0.02	0.27	2.39
	4th month	2.39	-	2.39	0.02	0.27	2.13
	5th month	2.13	-	2.13	0.02	0.27	1.86
	6th month	1.86	-	1.86	0.02	0.27	1.60
	7th month	1.60	-	1.60	0.01	0.27	1.33
	8th month	1.33	-	1.33	0.01	0.27	1.06
	9th month	1.06	-	1.06	0.01	0.27	0.80
	10th month	0.80	-	0.80	0.01	0.27	0.53
	11th month	0.53	-	0.53	0.00	0.27	0.27
	12th month	0.27	-	0.27	0.00	0.27	-
					0.19	**3.19**	

DOOR TO DOOR	60	MONTHS
MORATORIUM PERIOD	6	MONTHS
REPAYMENT PERIOD	54	MONTHS

BREAK EVEN POINT ANALYSIS					
Year	**I**	**II**	**III**	**IV**	**V**
Net Sales & Other Income	70.54	84.79	96.54	109.23	122.89
Less : Op. WIP Goods	-	3.53	4.24	4.83	5.46
Add : Cl. WIP Goods	3.53	4.24	4.83	5.46	6.14
Total Sales	**74.06**	**85.50**	**97.13**	**109.86**	**123.57**
Variable & Semi Variable Exp.					
Raw material cost	43.73	49.14	54.80	60.69	67.05
Electricity Exp/Coal Consumption at 85%	0.72	0.78	0.85	0.91	0.98
Wages & Salary at 60%	8.14	9.67	11.50	13.67	16.26
Selling & adminstrative Expenses 80%	0.56	1.02	1.35	1.75	1.97
Interest on working Capital	0.37	0.37	0.37	0.37	0.37
Repair & maintenance	0.35	0.85	1.21	1.64	2.03
consumables	1.06	1.27	1.45	1.64	1.84
Packaging	0.88	1.23	1.54	1.86	2.09
Total Variable & Semi Variable Exp	**55.80**	**64.33**	**73.06**	**82.53**	**92.59**
Contribution	**18.26**	**21.17**	**24.07**	**27.34**	**30.98**
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.13	0.14	0.15	0.16	0.17
Wages & Salary at 40%	5.42	6.45	7.66	9.11	10.84
Interest on Term Loan	1.41	1.24	0.89	0.54	0.19
Depreciation	2.37	2.01	1.71	1.46	1.24
Selling & adminstrative Expenses 20%	0.14	0.25	0.34	0.44	0.49
Rent	2.16	2.48	2.86	3.29	3.78
Total Fixed Expenses	**11.63**	**12.58**	**13.61**	**15.00**	**16.72**
Capacity Utilization	**55%**	**60%**	**65%**	**70%**	**75%**
OPERATING PROFIT	**6.63**	**8.59**	**10.46**	**12.34**	**14.27**
BREAK EVEN POINT	**35%**	**36%**	**37%**	**38%**	**40%**
BREAK EVEN SALES	**47.17**	**50.81**	**54.94**	**60.27**	**66.67**

FINANCIAL INDICATORS					
PARTICULARS	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**
TURNOVER	70.54	84.79	96.54	109.23	122.89
GROSS PROFIT	14.39	17.54	20.39	23.46	26.52
G.P. RATIO	**20.41%**	**20.69%**	**21.12%**	**21.48%**	**21.58%**
NET PROFIT	6.63	8.59	10.46	12.34	14.27
N.P. RATIO	**9.40%**	**10.13%**	**10.83%**	**11.30%**	**11.61%**
CURRENT ASSETS	11.45	14.02	15.42	16.95	18.72
CURRENT LIABILITIES	7.12	8.13	8.81	9.56	10.41
CURRENT RATIO	**1.61**	**1.73**	**1.75**	**1.77**	**1.80**





8. IMPLEMENTATION SCHEDULE

Implementation Schedule

S.N.	Activity	Time Required (in Months)
1	Acquisition Of premises	1
2	Procurement & installation of Plant & Machinery	2-3
3	Arrangement of Finance	2-3
4	Requirement of required Manpower	1-2
	Total time Required (some activities shall run concurrently)	6-7Months

9. ASSUMPTIONS

- Production Capacity of Green Tea (Small Scale) Processing Plant is 100 Kgs per Day. First year, Capacity has been taken @ 55%.
- Working shift of 8 hours per day has been considered.
- Raw Material stock is for 1 day and finished goods Closing Stock has been taken for 15 days.
- Credit period to Sundry Debtors has been given for 10-12 days.
- Credit period by the Sundry Creditors has been provided for 18-20 days.
- Depreciation and Income tax rates has been taken as per the Income tax Act,1961.
- Interest on working Capital Loan and Term loan has been taken at 11%.
- Arrangement for labour wages has been made as per the prevailing market rates, which may vary from place to place and the minimum wages fixed by the concerned authorized from time to time.
- Selling Prices & Raw material costing has been increased by 5% & 3% respectively in the subsequent years.

- The rates quoted in respect of machines, equipment and raw materials are those prevailing at the time of preparation of this project profile, and are likely to vary from supplier to supplier and place to place.
- This project profile is prepared for guidance; hence, entrepreneurs are advised to check all the parameters while intending to put up such unit.

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