



KEY FACTORS IN PREPARATION OF PROJECT REPORT & CMA DATA

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STEPS IN FINANCING

- Assessment of requirement
 - Documenting the above assessment (IM)
 - Analysing the Data (TEV)
 - Deciding financing pattern : Debt , Equity/ Others
 - Finalise / Shortlist options available
 - Submit proposal
 - Sanction and Availment
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PROJECT REPORT COMPILING, RECORDING AND ANALYSING DATA

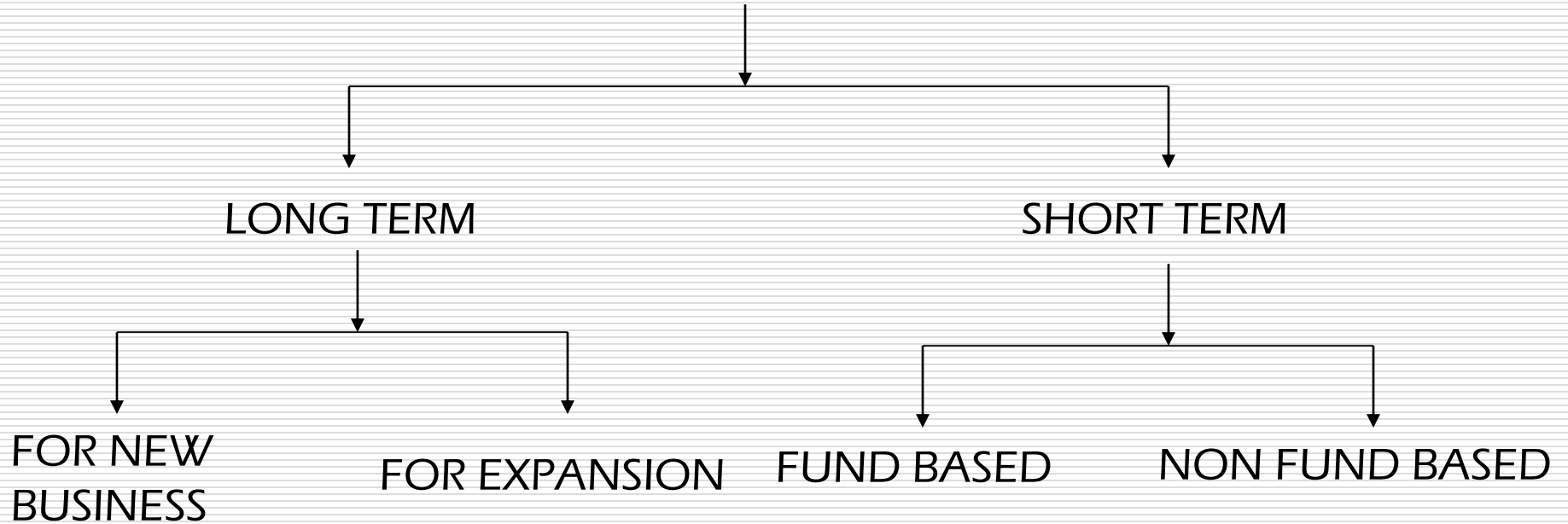
- I will call it an Information Memorandum
- Any document/Report/writing or Financials for Obtaining/reviewing/monitoring
- ✓ Assessment of requirement of funds
- ✓ Deciding means of finance mix out of available options
- ✓ Arriving at a decision for which it is made
- ✓ Financial projections to justify ability to service

✓ **ALL ABOVE PUT TOGETHER
CONSTITUTES A TECHNO-ECONOMIC
VIABILITY STUDY**

OBJECTS OF ANY VENTURE

- ✓ The proposed venture should be doable, which means :
 - ✓ It should be technically feasible
 - ✓ Economically viable i.e. ability to pay off outside liabilities and service equity
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FUND REQUIREMENT



FINANCING LONG TERM REQUIREMENT

- Most of us practice in this sphere
- This can be in the form of
 - a. Term Loan
 - b. Equity
 - c. Internal Accrual
 - d. Other sources
- In case of Term Loan, financial statement will be in line with Institutional norms
- In case of Equity, if it is a Private Equity ,then requirement of due diligence
- In case of IPO, SEBI & ROC norms.
- In case of Equity and internal accruals, to assess justification for the proposed investments
- *We confine our discussion to the following battery limits:*
- *SME Sector*
- *New manufacturing activity*

BASIC REQUIREMENT FOR RAISING FINANCE

- Project's Capital Cost assessment
 - Assessment of Working Capital
 - Projections of profitability
 - Projections of cash flows
 - Ratios & their interpretation
 - A report/write up deducing that the proposal is viable
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BASEWORK

- Detailed assessment of Promoters and associate concerns
 - Gain knowledge of the industry
 - Check for appetite of funding agencies for the industry
 - Checklist to Promoters for requisite information
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ASSESSMENT OF PROJECT COST

- Project Cost is aggregate of the following :
 - Land
 - Site development
 - Building & Civil works
 - Plant & Machinery
 - Foundation & Installation
 - Utilities & Misc. Fixed assets
 - Preliminary and preoperative expenses
 - Working Capital Margin
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SOURCES OF FUNDING

- Equity from promoters
 - Internal Accruals
 - Deferred Payments
 - Unsecured Loan
 - Term Loans
 - Above are indicative, not exhaustive
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IMPORTANT POINTS

- Resources of the promoters
 - Based on proposed capacity of the unit envisaged
 - Minimum economic size
 - Scope for future expansion, forward/backward integration
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STATEMENT OF COST OF PROJECT

- Land: It would include the cost of land and stamp duty and registration expenses and brokerage. Adequacy for future.
 - Site development: It would include cost of
 - Leveling & Filling
 - Fencing
 - (Barbed Wire/Wall)
 - Internal Roads
 - Gates
-

BUILDING

| Sr. No. | Particulars | Type of construction | Dimensions L*B*H in Mts. | Area sq. Mts. | Rate per sq. mts | Estimated Cost (Rs. In lacs) |
|---------|---|----------------------|--------------------------|---------------|------------------|------------------------------|
| | | | | | | |
| 1 | Factory Building | | | | | |
| 2 | Administrative/Office Building/ Canteen etc | | | | | |
| 3 | Warehouses for | | | | | |
| 4 | Meter Room/Transformer Yard | | | | | |
| 5 | Security Cabin | | | | | |
| 6 | Residential / Staff quarters | | | | | |
| 7 | Water Reservoirs | | | | | |
| 8 | Borewells | | | | | |
| 9 | Sewerage & Drainage | | | | | |
| 10 | Architect's Fees | | | | | |
| | TOTAL | | | | | |

PRELIMINARY AND PREOPERATIVE EXPENSES

| | Cost already incurred | Proposed to be incurred | Total |
|---|-----------------------|-------------------------|-------|
| Preliminary & capital issue expenses: a) Brokerage and commission on capital b) Other capital issue expenses (legal, advertisement, printing, stationery, etc.) c) Other preliminary expenses (company floatation and other initial expenses). Pre-operative expenses a) Establishment inclusive salaries etc b) Rent, rates and taxes c) Traveling expenses d) Misc. expenses e) Processing and Upfront Fees on borrowings f) Interest during Construction period g) Insurance during construction including erection insurance. h) Mortgage expenses i) Interest on deferred payments, if any. j) Deposit including Line Laying Charges to be paid for obtaining power k) Other Deposits l) Trial Run Expenses m) Product Launching expenses | | | |
| TOTAL | | | |

OTHER FIXED ASSETS

- Electrical Equipment & Installations
 - Technical know-how fees etc.
 - Utilities except power
 - Effluent Treatment Facilities
 - Training of technicians
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WORKING CAPITAL MARGIN

This will be discussed separately

PROVISION FOR CONTINGENCIES

| ITEM OF COST | Considered | | Reasons for considering the cost as Firm |
|---|----------------------|--------------------------|--|
| | Firm (Rs in Lacs) | Non Firm (Rs in Lacs) | |
| Land | | | |
| Site Development | | | |
| Buildings | | | |
| Plant & Machinery | | | |
| Electrical Equipment & Installations | | | |
| Technical know-how fees etc. | | | |
| Utilities except power | | | |
| Effluent Treatment Facilities | | | |
| Expenses on foreign technicians' and training of Indian technicians abroad. | | | |
| Miscellaneous fixed assets. | | | |
| Preliminary & Preoperative Expenses | | | |
| TOTAL | | | |

SENSITIVITY ANALYSIS

| | DSCR | IIR | BEP |
|-------------------------------|------|-------|----------|
| Normal | 2.22 | 27.72 | 13429.37 |
| Capacity decreased by 5% | 2.07 | 26.44 | 13028.41 |
| Raw Material increased by 2% | 1.27 | 17.88 | 60227.18 |
| Selling Price decreased by 2% | 1.19 | 16.66 | 76599.95 |

WHAT ARE ACCEPTABLE NORMS

- Debt Equity Ratio 1.50 : 1
 - Debt Service Coverage Ratio > 1.50
 - IRR
 - BEP
 - Current Ratio 1.33
 - TNW to Outside Liabilities
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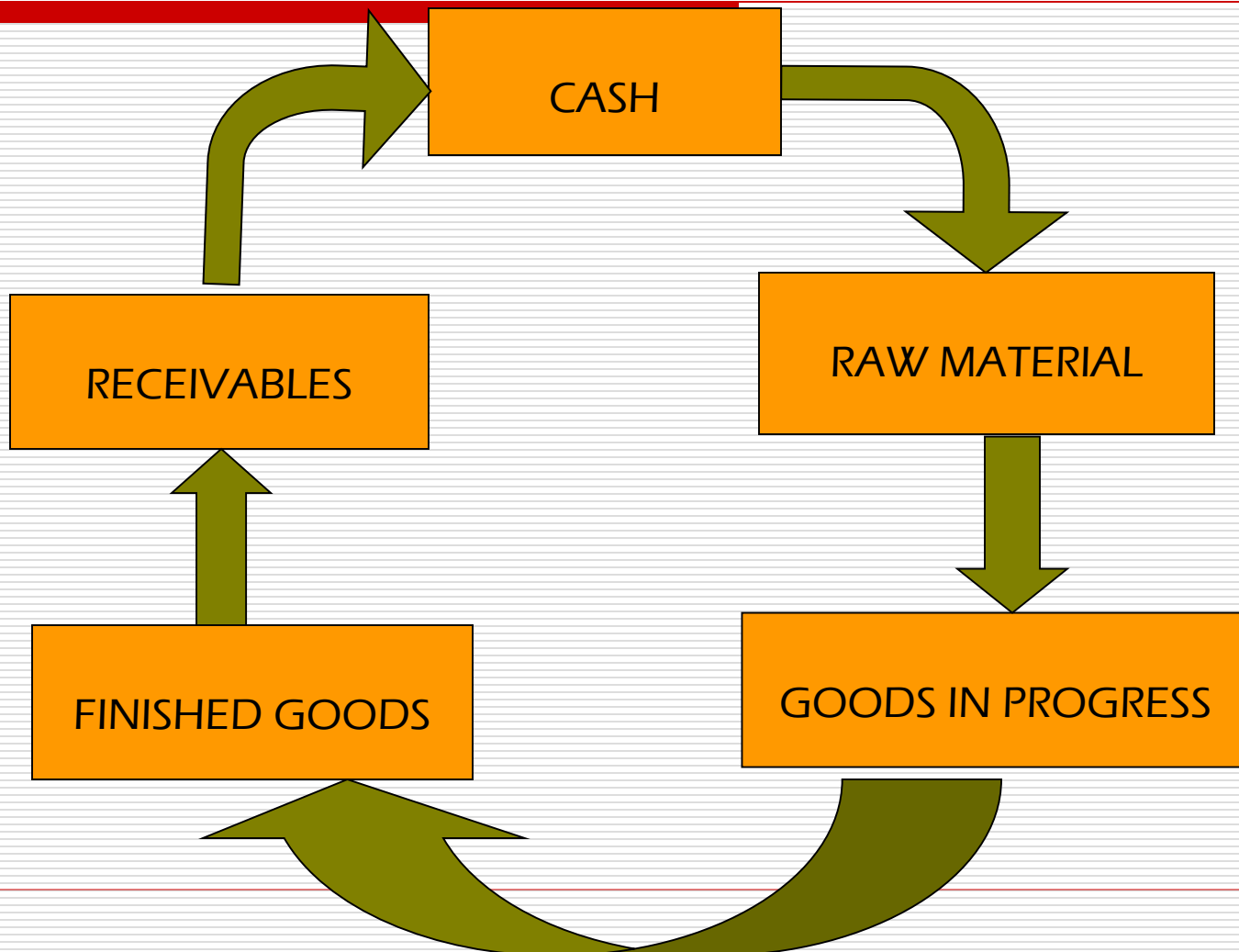
ASSESSMENT OF WORKING CAPITAL REQUIREMENT

- What are current assets and current liabilities
 - Working capital cycle
 - Holding levels
 - Modes of funding : FB and NFB
 - CMA Data
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WHAT IS WORKING CAPITAL ?

- Funds required for financing the operating / production cycle
 - Aggregate of non fixed assets that is required to complete one operating cycle
 - All the components of an operating or production cycle can collectively be called as Working Capital
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THE WORKING CAPITAL CYCLE



FUND BASED LIMITS FOR WORKING CAPITAL

- 25% Fund Based Requirements to be funded through Long Term Sources
 - Cash Credit - most widely accepted form
 - RBI stipulates that in case of limits over 10 Crs., 80% should be in the form of demand loan and balance 20% as CC
 - Peak Season and Non Peak Season Limit
 - Seasonal Fund Based Credits
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NON FUND BASED LIMITS

➤ Non Fund Based limits are :

➤ Letters of Credits (LC)

➤ Bank Guarantee (BG)

LETTER OF CREDIT

| i) For Raw Material | Inland | Foreign |
|---|--------|---------|
| 1. Estimated Purchases against LC (For accepted level of Turnover) | | |
| 2. Lead / Transit Time (No. of days) | | |
| 3. Usance Period (No. of Days) | | |
| 4. Total No. of Days (2+3) | | |
| 5. No. of cycles in a year (365/Total No. of Days as per Sr. No.-4) | | |
| 6. LC Requirement (Sr. 1/Sr. 5) | | |

- Letter of Credit is a formal commitment given by the Bank to a person, generally a supplier, that the buyer's bill will be paid on presentation or after expiry of a stipulated period
- Letter of Credit is subject to the terms and conditions narrated in the Letter of Credit
- Letter of Credit is document based and normally does not concern itself to the goods

BANK GUARANTEE

| | | |
|---|--|--|
| 1 | Amount of contracts in hand / Under Implementation | |
| 2 | Value of contracts to be completed in a year : | |
| 3 | Value of Contracts in pipeline for which bids are to be made | |
| 4 | Bid requirement @ _____ % per annum. | |
| 5 | Advance payment guarantees @ _____ % of Contract Value. | |
| 6 | Performance guarantees @ _____ | |
| 7 | Earnest Money guarantee @ _____ % on _____ | |
| 8 | Security deposits / Retention Money guarantee @ _____ | |

- Bank Guarantee is a contract to perform in case the borrower fails
- Usual Bank Guarantees are
 - Financial Bank Guarantee
 - Performance Bank Guarantee

FEW IMPORTANT ISSUES IN PREPARATION OF CMA ...

- CMA Data still is the most widely used format by Bankers for assessing Working Capital Limits

Analysis covered in CMA Data

- Operating Statement
 - Computation of maximum permissible bank finance
 - Analysis of Balance Sheet
 - Analytical and comparative Ratios
 - Fund Flow Statement
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SALIENT POINTS IN PREPARATION OF CMA DATA

- Term Loan installment repayable within one year
These are required to be shown as Current Liabilities except their overdues, both for calculating MPBF and Current ratios
- Current ratio
- Advances to suppliers of Raw Material - Current Assets
- Investments maturing within 12 months - Opinion differs

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- Advances on Capital Accounts can be excluded from Current Liabilities
 - Debtors more than 180 days – NCA for calculation of MPBF but is included as CA in Current Ratio
 - Unsecured Loans from promoters : can be classified as Quasi Capital and included in Net Worth
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I AM GREATFUL TO OUR
INSTITUTE AND THE PARTICIPANTS
FOR PROVIDING AN OPPURTUNITY
TO LEARN !

QUERIES, IF ANY, ARE WELCOME !

HAVE A NICE DAY !



COST OF PROJECT

| | | (Rs. in lacs) |
|---|--------|----------------|
| Land | | 60.00 |
| Site Development | | 43.00 |
| Building & Civil Works : | | |
| Main Shed | 83.70 | |
| Foundations | 30.00 | |
| Water Arrangement | 36.54 | |
| Office & Others | 17.35 | |
| | | 168.00 |
| Plant, Machinery & Equipments : | | |
| Roughing Mill | 845.00 | |
| Installation, Transportation, taxes etc. | 60.00 | 905.00 |
| Misc. Assets : | | |
| Deposits | 5.00 | |
| Furniture & Office Equipments | 4.00 | |
| | | 9.00 |
| Preliminary & Preoperative Exps. | | |
| To be Capitalised : | 65.00 | |
| | | 65.00 |
| Contingency Provision | | 50.00 |
| Margin Money for Working Capital | | 150.00 |
| TOTAL | | 1450.00 |

MEANS OF FINANCE

| MEANS OF FINANCE | Rs. In lacs |
|-------------------------|-------------|
| Promoters' Contribution | 600 |
| Term Loans | 850 |
| Total | 1450 |

| | | |
|-------------------------|---|------------|
| Promoters' Contribution | : | 41.38% |
| Fixed Asset Coverage | : | 1.53 times |
| Debt Equity Ratio | : | 1.42:1 |

STATEMENT OF PRODUCTS CAPACITY AND RAW MATERIAL

PARTICULARS OF INSTALLED CAPACITY, PRODUCT MIX AND SELLING PRICES

| | Unit | Qty. | Rate | Sales at |
|--|------------|-------|----------|--------------------|
| | | | Rs. | Installed capacity |
| Rolled Steel Products– (TMT Bars) | MT | 60000 | 24500.00 | 14700 |
| Total | | 60000 | | 14700 |
| Unit Selling Price | | | | |
| (Simple Average) | Rs. per MT | | | 24500 |
| | Rs. Per KG | | | 24.50 |

REQUIREMENT OF RAW MATERIAL AT INSTALLED CAPACITY

| Item | Imported/ Local | Reqmt.per Unit | Total req. p.a | Unit Cost | Total Cost (Rs. In lacs) |
|------------------------------|--------------------|-------------------|-------------------|--------------|--------------------------------|
| 1 Ingots / Billets | Local | 1.05 | 63000 | 21000.00 | 13230.00 |
| 2 Coal | Local | 0.15 | 9000 | 2400.00 | 216.00 |
| T O T A L : | | | | | 13446.00 |
| Direct Material Cost / MT | | | Rs. | 22410.00 | 22410 |

MAJOR ASSUMPTIONS MADE FOR PROFITABILITY PROJECTIONS

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Other Income : Sale of Scrap | 126.00 | 157.50 | 189.00 | 189.00 | 189.00 |
| Installed capacity/annum | 60000 | 60000 | 60000 | 60000 | 60000 |
| No.of working days | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 |
| No. of shifts | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Estimated output as a % of installed capacity | 0.60 | 0.75 | 0.90 | 0.90 | 0.90 |
| Unit selling price(Rs.)/MT | 24500 | 24500 | 24500 | 24500 | 24500 |

Power requirement : Connected 3600,
 Contracted 2200 KVA. Power cost @ 100%
 capacity

KVA

204

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Consumable Stores | 75.00 | 75.00 | 75.00 | 75.00 | 75.00 |
| Packing Material LS | 0.60 | | 0.60 | | |
| Water LS | 3.00 | | 3.00 | | |
| Furnace Oil | 0.00 | | 0.00 | | |
| Labour Cost per tonne | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 |
| Repairs & Maintenance 3to 5% of P, M&E | 35.91 | 35.91 | 59.85 | 59.85 | 59.85 |
| Rent & Taxes(Factory) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Insurance | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Administrative Salaries | 3.00 | 3.30 | 3.63 | 3.99 | 4.39 |
| Directors Salary & Perks | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Professional fees | 0.15 | 0.20 | 0.25 | 0.25 | 0.25 |
| Courier, Postage etc. | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 |
| Telephone & Fax | 1.20 | 1.20 | 1.20 | 1.50 | 1.50 |
| Insurance & Taxes(Office) | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| Other Expenses | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 |
| Sales Expenses/Commission | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 |

UNIT COST OF PRODUCTION

Product(s) :

Operation: Batch

No. of Shifts : 1

In the 3rd year of operation

Installed Capacity : Metric Tonnes 60000

Production in Units : Metric Tonnes 54000

Capacity Utilisation : 0.90

| PARTICULARS | Amount /Unit | % | Amt per MT | Amt per Kg |
|-----------------------------|--------------|--------------|-----------------|-----------------------|
| Raw Materials | 0.225 | 94.59 | 22486.00 | <i>22.4860</i> |
| Power | 0.003 | 1.43 | 340.00 | <i>0.3400</i> |
| Fuel & Steam | 0.000 | 0.00 | 0.00 | <i>0.0000</i> |
| Water | 0.000 | 0.02 | 5.00 | <i>0.0050</i> |
| Establishments | 0.003 | 1.26 | 300.00 | <i>0.3000</i> |
| Factory Overheads | 0.001 | 0.48 | 114.54 | <i>0.1145</i> |
| * Total Works Cost * | 0.232 | 97.79 | 23245.54 | <i>23.2455</i> |

| PARTICULARS11 | Amount /Unit | % | Amt per MT | Amt per Kg |
|---|--------------|---------------|-----------------|----------------|
| Administration : | | | | |
| Establishment Exps. | 0.000 | 0.11 | 25.33 | <i>0.0253</i> |
| Selling & Other Est. Exps. | 0.005 | 2.10 | 500.00 | <i>0.5000</i> |
| * Total Admn. Expenses * | 0.005 | 2.21 | 525.33 | <i>0.5253</i> |
| * Total Cost of Sales * | 0.238 | 100.00 | 23770.87 | 23.7709 |
| Sales Revenue after adjusting for Opening and Closing stock | 0.244 | 100.00 | 24414.93 | 24.4149 |
| * Contribution * | 0.006 | 2.64 | 644.06 | <i>0.6441</i> |
| On Term Loans | 0.001 | 0.61 | 149.34 | <i>0.1493</i> |
| On Working Capital | 0.001 | 0.42 | 102.68 | <i>0.1027</i> |
| On other loans | 0.000 | 0.00 | 0.00 | <i>0.0000</i> |
| * T O T A L * | 0.003 | 1.03 | 252.02 | <i>0.2520</i> |
| Provision for Depreciation | 0.001 | 0.42 | 102.21 | <i>0.1022</i> |
| * Net Contribution * | 0.003 | 1.19 | 289.83 | 0.2898 |

ESTIMATES OF PRODUCTION AND SALES

| PARTICULARS | Ist | IIInd | IIIrd | IVth | Vth |
|---|---------|----------|----------|----------|----------|
| 01. INSTALLED CAPACITY | | | | | |
| Qty. per annum MT | 60000 | 60000 | 60000 | 60000 | 60000 |
| Qty. per day MT | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 |
| 02. No. of Working days | 300 | 300 | 300 | 300 | 300 |
| 03. No. of shifts | 1 | 1 | 1 | 1 | 1 |
| 04. Estimated Production per day | 120.00 | 150.00 | 180.00 | 180.00 | 180.00 |
| 05. Estimated Annual Production | 36000 | 45000 | 54000 | 54000 | 54000 |
| 06. Estimated output as a % of plant Capacity | 0.60 | 0.75 | 0.90 | 0.90 | 0.90 |
| 07. Closing Stock of F/G - MT | 750.00 | 937.50 | 1125.00 | 1125.00 | 1125.00 |
| 08. Value of Closing Stock (Rs. in lacs) | 174.35 | 217.72 | 261.64 | 261.64 | 261.64 |
| 09. Opening Stock - MT | 0.00 | 750.00 | 937.50 | 1125.00 | 1125.00 |
| 10. Value of Opening Stock (Rs. in lacs) | 0.00 | 174.35 | 217.72 | 261.64 | 261.64 |
| 11. Quantity available for Sales- MT | 35250 | 44813 | 53813 | 54000 | 54000 |
| 12. Value of Sales | 8636.25 | 10979.1 | 13184.06 | 13230.00 | 13230.00 |
| 12A. Excise Duty | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 13. Net Sales | 8636.25 | 10979.06 | 13184.06 | 13230.00 | 13230.00 |
| | 24500 | 24500 | 24500 | 24500 | 24500 |

PROJECTED PROFITABILITY STATEMENT

| PARTICULARS | Ist | IInd | IIIrd | IVth | Vth |
|----------------------------------|---------|----------|----------|----------|----------|
| Installed Capacity MT per day >> | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 |
| Capacity Utilisation | 0.60 | 0.75 | 0.90 | 0.90 | 0.90 |
| Production per day | 120.00 | 150.00 | 180.00 | 180.00 | 180.00 |
| Raw Materials | 8067.60 | 10084.50 | 12101.40 | 12101.40 | 12101.40 |
| Consumables | 27.00 | 33.75 | 40.50 | 40.50 | 40.50 |
| Packing Materials | 0.36 | 0.45 | 0.54 | 0.54 | 0.54 |
| (a) Total Materials Cost | 8094.96 | 10118.70 | 12142.44 | 12142.44 | 12142.44 |
| Utilities | | | | | |
| Power | 122.40 | 153.00 | 183.60 | 183.60 | 183.60 |
| Steam & Fuel | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Water | 1.80 | 2.25 | 2.70 | 2.70 | 2.70 |
| (b) Total Utilities | 124.20 | 155.25 | 186.30 | 186.30 | 186.30 |

| PARTICULARS | Ist | IIInd | IIIrd | IVth | Vth |
|--|---------|----------|----------|----------|----------|
| Labour & Plant Overheads: | | | | | |
| Wages | 108.00 | 135.00 | 162.00 | 162.00 | 162.00 |
| Other overheads | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (c) Total Labour | 108.00 | 135.00 | 162.00 | 162.00 | 162.00 |
| Repairs & Maintenance | 35.91 | 35.91 | 59.85 | 59.85 | 59.85 |
| Repairs & Maintenance of factory assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Insurance on Factory Assets | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Contingencies | 3.79 | 3.79 | 6.19 | 6.19 | 6.19 |
| (d) Total Factory Overheads | 41.70 | 41.70 | 68.04 | 68.04 | 68.04 |
| (e) Estimated Cost of manufacture | 8368.86 | 10450.65 | 12558.78 | 12558.78 | 12558.78 |

| PARTICULARS | Ist | IIInd | IIIrd | IVth | Vth |
|----------------------------|---------|----------|----------|----------|----------|
| (a) COST OF MANUFACTURE : | 8368.86 | 10450.65 | 12558.78 | 12558.78 | 12558.78 |
| Administrative Expenses: | | | | | |
| Administrative Salaries | 3.00 | 3.30 | 3.63 | 3.99 | 4.39 |
| Remuneration to Directors | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Professional Fees | 0.15 | 0.20 | 0.25 | 0.25 | 0.25 |
| Postage,telegram etc. | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 |
| Telephone & Fax | 1.20 | 1.20 | 1.20 | 1.50 | 1.50 |
| Insurance & taxes - Office | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| Other Expenses | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 |
| (b) Total Admn. Expenses | 12.95 | 13.30 | 13.68 | 14.34 | 14.74 |
| (c)Sales Expenses | 180.00 | 225.00 | 270.00 | 270.00 | 270.00 |

| | Ist | IIInd | IIIrd | IVth | Vth |
|--|---------|----------|----------|----------|----------|
| COST OF PRODUCTION | 8561.81 | 10688.95 | 12842.46 | 12843.12 | 12843.52 |
| Expected Sales | 8636.25 | 10979.06 | 13184.06 | 13230.00 | 13230.00 |
| GROSS PROFIT | | | | | |
| BEFORE INTEREST | 74.44 | 290.11 | 341.61 | 386.88 | 386.48 |
| Financial Expenses : | | | | | |
| Interest on term loan | 97.75 | 96.53 | 80.64 | 61.09 | 41.54 |
| Interest on Working Capital | 36.67 | 46.16 | 55.45 | 55.54 | 55.54 |
| (h) Total Financial Exps. | 134.42 | 142.69 | 136.09 | 116.63 | 97.08 |
| (i) Depreciation - WDV as per I Tax Act | 55.19 | 55.19 | 55.19 | 55.19 | 55.19 |
| (j) Operating Profit | -115.17 | 92.23 | 150.32 | 215.06 | 234.21 |

| PARTICULARS | Ist | II nd | IIIrd | IVth | Vth |
|------------------------------|--------------|---------------|---------------|---------------|---------------|
| OPERATING PROFIT | -115.17 | 92.23 | 150.32 | 215.06 | 234.21 |
| (k) Other Income | 126.00 | 157.50 | 189.00 | 189.00 | 189.00 |
| (l) Preliminary Exps. W/Off | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (m) Profit before taxation | 10.83 | 249.73 | 339.32 | 404.06 | 423.21 |
| (n) Provision for Income-tax | 0.87 | 17.83 | 95.94 | 125.66 | 138.09 |
| (o) Profit after tax | 9.96 | 231.90 | 243.38 | 278.40 | 285.12 |
| Less: Dividends: | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (p) Retained Profit | 9.96 | 231.90 | 243.38 | 278.40 | 285.12 |

CASH FLOW STATEMENT

| SOURCES | POP | Ist | IIInd | IIIrd | IVth | Vth |
|--|---------|--------|--------|--------|--------|--------|
| 01. Share Capital | 600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 02. Profit before tax with interest added back | 0.00 | 145.25 | 392.42 | 475.42 | 520.69 | 520.29 |
| 03. Depreciation | 0.00 | 55.19 | 55.19 | 55.19 | 55.19 | 55.19 |
| 04. Increase in Term Loan from Fls/Banks | 850.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05. Increase in Unsecured Loans and Deposits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 06. Increase in Borrowing for working capital | 0.00 | 318.85 | 82.58 | 80.73 | 0.76 | 0.00 |
| | 1450.00 | 519.29 | 530.19 | 611.34 | 576.64 | 575.48 |

| DISPOSITION | POP | Ist | IIInd | IIIrd | IVth | Vth |
|---|---------|--------|--------|--------|--------|--------|
| 01. Capital Expenditure on the project | 1300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 02. Increase in Working Capital | 0.00 | 472.64 | 122.99 | 119.77 | 1.26 | 0.00 |
| 03. Decrease in Interest bearing from Banks | 0.00 | 0.00 | 85.00 | 170.00 | 170.00 | 170.00 |
| 04. Interest on term loans | 0.00 | 97.75 | 96.53 | 80.64 | 61.09 | 41.54 |
| 05. Interest on Working Capital borrowings | 0.00 | 36.67 | 46.16 | 55.45 | 55.54 | 55.54 |
| 06. Taxation | 0.00 | 0.87 | 17.83 | 95.94 | 125.66 | 138.09 |
| 07. Preliminary Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 08. Increase in Investment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 09. Others(Dividend) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| T O T A L(B) | 1300.00 | 607.92 | 368.51 | 521.80 | 413.55 | 405.17 |
| Opening Balance of | | | | | | |
| Cash & Bank | 0.00 | 150.00 | 61.37 | 223.05 | 312.59 | 475.67 |
| Net Surplus/deficit | 150.00 | -88.63 | 161.68 | 89.53 | 163.09 | 170.32 |
| Closing Balance of | | | | | | |
| Cash & Bank | 150.00 | 61.37 | 223.05 | 312.59 | 475.67 | 645.99 |

PROJECTED BALANCE SHEET

| LIABILITIES | POP | Ist | IIInd | IIIrd | IVth | Vth |
|---|---------|---------|---------|---------|---------|---------|
| 01. Share Capital | 600.00 | 600.00 | 600.00 | 600.00 | 600.00 | 600.00 |
| 02. Reserves & Surplus | 0.00 | 9.96 | 241.86 | 485.24 | 763.64 | 1048.77 |
| 03. Term Loans(New) | 850.00 | 850.00 | 765.00 | 595.00 | 425.00 | 255.00 |
| 04. Term Loans (existing) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05. Bank borrowings for Working Capital | 0.00 | 318.85 | 401.43 | 482.16 | 482.92 | 482.92 |
| 06. Unsecured Loans | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 07. Current Liabilities | 0.00 | 168.08 | 210.09 | 252.11 | 252.11 | 252.11 |
| 08. Dividend Payable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 09. Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL | 1450.00 | 1946.89 | 2218.39 | 2414.51 | 2523.67 | 2638.80 |

CASH FLOW STATEMENT

| PARTICULARS | Ist | IIInd | IIIrd | IVth | Vth |
|------------------------------|----------|----------|----------|----------|----------|
| Installed Capacity (Per day) | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 |
| Capacity Utilisation(%) | 0.60 | 0.75 | 0.90 | 0.90 | 0.90 |
| Production (M.T. per annum) | 36000.00 | 45000.00 | 54000.00 | 54000.00 | 54000.00 |
| Sales(Net of Excise) | 8636.25 | 10979.06 | 13184.06 | 13230.00 | 13230.00 |
| Variable Costs : | | | | | |
| Raw Materials | 8094.96 | 10118.70 | 12142.44 | 12142.44 | 12142.44 |
| Stores & Packing materials | 0.36 | 0.45 | 0.54 | 0.54 | 0.54 |
| Power, fuel & water | 62.10 | 77.63 | 93.15 | 93.15 | 93.15 |
| Wages and Salaries | 54.00 | 67.50 | 81.00 | 81.00 | 81.00 |
| Sales Expenses | 180.00 | 225.00 | 270.00 | 270.00 | 270.00 |
| Interest on Working Capital | 36.67 | 46.16 | 55.45 | 55.54 | 55.54 |
| Total Variable Cost : | 8428.09 | 10535.44 | 12642.58 | 12642.67 | 12642.67 |
| Contribution : | | | | | |
| Sales - Variable Cost | 208.16 | 443.62 | 541.48 | 587.33 | 587.33 |

Fixed & Semi Variable Costs :

| | | | | | |
|---------------------------|---------------|---------------|---------------|---------------|---------------|
| Power, Fuel and Water | 62.10 | 77.63 | 93.15 | 93.15 | 93.15 |
| Wages & Salaries | 54.00 | 67.50 | 81.00 | 81.00 | 81.00 |
| Factory & Plant Overheads | 41.70 | 41.70 | 68.04 | 68.04 | 68.04 |
| Administrative Expenses | 12.95 | 13.30 | 13.68 | 14.34 | 14.74 |
| Selling Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest on term loans | 97.75 | 96.53 | 80.64 | 61.09 | 41.54 |
| Depreciation | 55.19 | 55.19 | 55.19 | 55.19 | 55.19 |
| T o t a l | 323.69 | 351.84 | 391.70 | 372.81 | 353.66 |

BREAK EVEN POINT :

(Fixed Cost / Contribution) * Capacity
Utilisation %

| | | | | | |
|---------------|----------|---------|---------|---------|---------|
| Operating BEP | 93.30 | 59.48 | 65.10 | 57.13 | 54.19 |
| Cash BEP | 77.39 | 50.15 | 55.93 | 48.67 | 45.74 |
| BEP Sales | 13429.37 | 8707.68 | 9537.10 | 8397.79 | 7966.41 |

INTERNAL RATE OF RETURN

| Yr | Cash Flow | DCF @ | DCF | DCF | DCF | CFBT | DCF | DCF |
|------|-----------|-------|---------|------|---------|--------|---------|---------|
| | after Tax | 10.00 | @ 10% | 30% | @ 20% | | @ 10% | @ 20% |
| 0.00 | -1300.0 | 1.00 | -1300.0 | 1.00 | -1300.0 | | -1300.0 | -1300.0 |
| 1.00 | 199.57 | 0.91 | 181.41 | 0.77 | 153.47 | 200.44 | 182.20 | 154.14 |
| 2.00 | 429.78 | 0.83 | 355.00 | 0.59 | 254.43 | 447.61 | 369.73 | 264.99 |
| 3.00 | 434.66 | 0.75 | 326.43 | 0.46 | 197.77 | 530.61 | 398.49 | 241.43 |
| 4.00 | 450.22 | 0.68 | 307.50 | 0.35 | 157.58 | 575.88 | 393.33 | 201.56 |
| 5.00 | 437.39 | 0.62 | 271.62 | 0.27 | 117.66 | 575.48 | 357.37 | 154.80 |
| 6.00 | 425.35 | 0.56 | 239.90 | 0.21 | 88.05 | 575.04 | 324.32 | 119.03 |
| 7.00 | 412.78 | 0.51 | 211.76 | 0.16 | 65.63 | 572.04 | 293.46 | 90.95 |
| 8.00 | 407.41 | 0.47 | 190.26 | 0.12 | 50.11 | 571.14 | 266.72 | 70.25 |
| WDV | 858.47 | 0.47 | 403.48 | 0.07 | 62.67 | 858.47 | 403.48 | 62.67 |
| | | | 1187.36 | | -152.63 | | 1689.10 | 59.82 |

IRR: 27.72

IRR : 30.73 %

POST TAX

PRE TAX