

PROJECT REPORT

On

Dairy Farming and Milk Distribution

UNDER NAME AND STYLE OF

THE HIMALAYA'S DAIRY FARM

VILLAGE BASHING POST OFFICE BABELI

TEHSIL AND DISTRICT KULLU (HP)

Promoter(s)

Sh Jitender

S/o Shri Amar Chand

R/o House No 67, Village Rumsu,

Post Office Naggar

Tehsil and Distt Kullu (HP)-175130

Project Report prepared by:

M/s Sood Consultants

123/2, Inner Akhara Bazar Kullu

Mob: 94180-02685

Responsibility Statement

TO WHOM IT MAY CONCERN

- ❖ It is certified that the enclosed Project Report has been prepared on the basis of project information, relevant data and business targets/ estimates provided by the promoter(s).
- ❖ The accuracy of the business information and source of all relevant data is the responsibility of the promoter(s).
- ❖ Reasonable care has been taken to ensure that the calculations/ forecasts made in the enclosed Project Report are correct.
- ❖ We do not hold any opinion regarding the accuracy of the forecasts made in the Project Report.

For Sood Consultants

(Sandeep Sood)

PROJECT AT A GLANCE

1	PROJECT	DAIRY FARMING UNIT		
2	NAME OF THE UNIT	M/S THE HIMALAYA'S DAIRY FARM		
3	LOCATION OF THE UNIT	VILLAGE BASHING P.O. BABELI TEHSIL & DISTRICT KULLU (HP)		
4	STATUS	SMALL SCALE		
5	CONSTITUTION	PROP.		
6	NAME OF THE PROMOTER(S)	SH. JITENDER S/O SH. AMAR CHAND		
7	CATAGEORY OF THE PROMOTER	MALE		
8	CAPACITY	500	Ltr/ day	
9	<u>COST OF PROJECT</u>			(Rs in Lacs)
	LAND		0.00	(Leased)
	BUILDING/ CIVIL WORK		0.00	(Leased)
	MISC FIXED ASSETS		11.00	
	WORKING CAPITAL		4.90	
		TOTAL	15.90	
10	<u>MEANS OF FINANCE</u>			(Rs in Lacs)
	PROMOTER'S CONTRIBUTION		3.90	
	TERM LOAN		8.00	
	WORKING CAPITAL LOAN (CASH CREDIT LIMIT)		4.00	
		TOTAL	15.90	
11	PAYBACK PERIOD OF TERM LOAN		7	(YEARS)
12	TECHNICAL KNOW-HOW	Promoter is a young, progressive Agri-Business entrepreneur and orchardist.		
13	EMPLOYMENT POTENTIAL	1 Skilled/ Semi Skilled and 3 unskilled workers shall be employed.		
14	TIME SCHEDULE FOR COMPLETION		6	Months
15	NO OF WORKING DAYS		365	Days

17 IMPROTANT RATIO ANALYSIS

DEBT EQUITY RATIO	3.08 :1
PROMOTER'S CONTRIBUTION TO TOTAL PROJECT COST	24.52%
G.P. RATIO	52.32%
BREAK EVEN POINT (ON THIRD YEAR BASIS)	24.41%
BREAK EVEN POINT (IN TERM OF FULL CAPACITY UTILISATION)	17.09%
BREAK EVEN POINT (IN TERM OF SALES REALISATIN)	3.59 Lacs
DEBT SERVICE COVERAGE RATIO (AVERAGE)	4.12

TECHO - ECONOMIC FEASIBILITY REPORT

FINANCIAL ASPECTS

PROJECT COST

1	Land/ Building	Land & Building are to be leased on an annual lease rent of Rs 1.00 Lac which may be increased by 10% p.a.
2	Misc Fixed Assets	20 Jersey breed cows are to be purchased @ Rs 40,000/- each. Other fixed assets will cost about Rs 3,00,000/-.
3	Working Capital	During 1st year of operation, Rs 4.90 Lac of Working Capital will be required. Cash Credit Loan of Rs 4.00 Lac shall be arranged from bank and Rs 0.90 Lac will be promoter's share.

MEANS OF FINANCE

1	Promoter's Share	Promoter will invest Rs 3.90 Lac which is 24.52% of the total cost of project.
2	Term Loan	A Term Loan of Rs 8.00 Lac shall be raised from Bank for purchase of Cows/ MFA
3	Working Capital Loan	A working capital loan of Rs 4.00 Lac, during 1st year of operation, will be availed from bank to meet the working capital requirements.

COST OF PROJECT & PROFITABILITY

1	Raw Materials	Main raw-materials of this project are easily available in the local market.
2	Manpower	The unit shall employ 1 skilled / Semi-Skilled and 3 unskilled worker. The required man-power is easily available.
3	Electricity & Power	No special arrangement is to be made for Electricity and power. A connected load of 5 KW shall be sufficient.
4	Admn. Selling & Distribution Expenses	Selling expenses are calculated @3% on the annual Sales realization.
5	Repair & Maintenance	It is assumed that these expenses will be 1% of the total cost of Building, Plant & Machinery and other assets.
6	Depreciation	Depreciation is calculated by WDVM @ 5% p.a. on Buildings and Misc Fixed Assets and @10% p.a. on Plant & Machinery.

TOTAL PROJECT COST & MEANS OF FINANCE

A. TOTAL PROJECT COST

Sr No	Particulars	Amount (Rs in Lac)	
1	Land	0.00	(Leased)
2	Building/ Shed	0.00	(Leased)
3	Misc Fixed Assets	11.00	
4	Working Capital	4.90	
TOTAL		<u>15.90</u>	

B. MEANS OF FINANCE

Sr No	Particulars	Amount (Rs in Lac)	
1	Promoter's Contribution	3.90	
2	Term Loan	8.00	
3	Working Capital Loan (CCL)	4.00	
TOTAL		<u>15.90</u>	

Detail of Misc Fixed Assets

Sr	DESCRIPTION	AMOUNT
1	LIVE STOCK 20 Jersey Cows @ Rs 40,000/- each	8,00,000.00
2	Equipments/ Utensils / Furniture & Fixture/ OFA Add: Cost of Transportation, taxes etc on above	2,40,000.00 60,000.00
		<u>11,00,000.00</u>
RUPEES IN LAC		11.00

SALES/ REVENUE FORECAST

DESCRIPTION	Qty (in Ltr)	Rate (Rs/ Ltr)	AMOUNT
1. SALE OF FARM MILK	120000	25.00	30,00,000.00

(20 cows x 240 days x 25 LPD)

TOTAL SALES/ REVENUE PER ANNUM 30,00,000.00

TOTAL SALES PER ANNUM AT 100% CAPACITY **30,00,000.00**

DETAILS OF ANNUNAL SALES/ REVENUE FORECAST

(AMOUNT IN LACS)

DESCRIPTION	YEAR						
	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR	VI YEAR	VII YEAR
CAPACITY UTILISATION (%AGE)	60%	65%	70%	75%	75%	75%	75%
MAXIMUM SALES REALISATIONS AT 100% CAPACITY	30.00	30.00	30.00	30.00	30.00	30.00	30.00
EXPECTED SALES REALISATIONS AT ACTUAL CAPACITY UTILISED	18.00	19.50	21.00	22.50	22.50	22.50	22.50

ANNUAL RAW MATERIAL REQUIREMENT

DESCRIPTION	AMOUNT
1. COST OF FEED PER DAY (for 20 cows @ Rs 100/- per cow for 365 days)	730000.00
2. COST OF VETERINARY AID/ INSURANCE ETC (for 20 cows @ Rs 15/- per cow for 365 days)	109500.00
TOTAL RM REQUIRED PER ANNUM	839500.00
TOTAL RAW MATERIAL CONSUMPTION PER ANNUM	839500.00
WASTAGE/ MISHANDLING @ 2%	16790.00
TOTAL RAW MATERIAL CONSUMPTION PER ANNUM	856290.00

DETAILS OF ANNUAL RAW MATERIAL CONSUMED & PURCHASES (AMOUNT IN LACS)

DESCRIPTION	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR	VI YEAR	VII YEAR
CAPACITY UTILISATION (%AGE)	60%	65%	70%	75%	75%	75%	75%
MAXIMUM MATERIAL CONSUMPTION AT 100% CAPACITY	8.56	8.56	8.56	8.56	8.56	8.56	8.56
EXPECTED MATERIAL CONSUMPTION AT ACTUAL CAPACITY UTILISED (A)	5.14	5.57	5.99	6.42	6.42	6.42	6.42
CLOSING STOCK (B)	1.03	1.11	1.20	1.28	1.28	1.28	1.28
TOTAL (A+B)	6.17	6.68	7.19	7.71	7.71	7.71	7.71
LESS: OPENING STOCK	0.00	1.03	1.11	1.20	1.28	1.28	1.28
TOTAL PURCHASES	6.17	5.65	6.08	6.51	6.42	6.42	6.42

REQUIREMENT OF WORKING CAPITAL

S.No	DESCRIPTION	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR	VI YEAR	VII YEAR
<u>CURRENT ASSETS</u>								
1	RAW MATERIALS	1.28	1.39	1.50	1.61	1.61	1.61	1.61
2	WORK IN PROGRESS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	FINISHED GOODS	2.15	2.34	2.53	2.74	2.83	2.93	3.04
4	DEBTORS	2.25	2.44	2.63	2.81	2.81	2.81	2.81
TOTAL CURRENT ASSETS (A)		5.68	6.16	6.66	7.16	7.25	7.35	7.46
<u>CURRENT LIABILITIES</u>								
1	SUNDRY CREDITORS	0.77	0.71	0.76	0.81	0.80	0.80	0.80
TOTAL CURRENT LIABILITIES (B)		0.77	0.71	0.76	0.81	0.80	0.80	0.80
WORKING CAPITAL REQUIRED (A-B)		4.90	5.46	5.90	6.34	6.44	6.55	6.66
WORKING CAPITAL LOAN FROM BANK		4.00	4.00	4.00	4.00	4.00	4.00	4.00
PROMOTER'S SHARE/ MARGIN		0.90	1.46	1.90	2.34	2.44	2.55	2.66
% MARGIN OF PROMOTER ON W. C.		18.35%	26.72%	32.16%	36.93%	37.93%	38.89%	39.91%

A) GENERAL STAFF

<u>S. NO.</u>	<u>DESIGNATION</u>	<u>NO'S</u>	<u>SALARY P.M. (RS.)</u>	<u>AMOUNT</u>
1	MANAGER	SELF		0.00
	TOTAL SALARY (P.M.)	0		0.00
	TOTAL SALARY (P.A.)			0.00
	SAY RS. (IN LACS)			<u>0.00</u> LACS

B) WORK STAFF & LABOUR

<u>S. NO</u>	<u>DESIGNATION</u>	<u>NO'S</u>	<u>SALARY P.M. (RS.)</u>	<u>AMOUNT</u>
1	SKILLED WORKER	1	8000.00	8000.00
2	UNSKILLED WORKER	3	5000.00	15000.00
	TOTAL WAGES (P.M.)	4		23000.00
	TOTAL WAGES (P.A.)			276000.00
	SAY RS. (IN LACS)			<u>2.76</u> LACS
TOTAL SALARY & WAGES (P.A.)				<u>276000.00</u>
	SAY RS. (IN LACS)			<u>2.76</u> LACS

DETAILS OF UTILITIES

S.NO	DESCRIPTION	AMOUNT
1	ELECTRICITY & POWER (Contracted Load 5 Kw) (5 Kw x 300 days x 8 hrs x Rs 5.00/- x 0.9 PF)	54000.00
2	WATER CONSUMPTION	60000.00
TOTAL COST OF UTILITIES (P.A.) AT 100% CAPACITY		<u>114000.00</u>

AMOUNT IN LACS **1.14**

DESCRIPTION	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR	VI YEAR	VII YEAR
CAPACITY UTILISATION (%AGE)	60%	65%	70%	75%	75%	75%	75%
MAXIMUM UTILITIES CONSUMED AT 100% CAPACITY	1.14	1.14	1.14	1.14	1.14	1.14	1.14
EXPECTED UTILITIES CONSUMED AT ACTUAL CAPACITY UTILISED	0.68	0.74	0.80	0.86	0.86	0.86	0.86

NOTES:

1. ELECTRICITY SUPPLY IS AVAILABLE AT UNIT SITE.
2. WATER SUPPLY & OTHER REQUIRED CONSUMABLES ARE ALSO EASILY ARRANGABLE AT SITE.

DETAILS OF ADMN, SELLING & DISTRUBUTION EXPENSES**(AMOUNT IN LACS)**

DESCRIPTION	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR	VI YEAR	VII YEAR
ADMN. S & D EXPENSES (PA)	0.90	0.98	1.05	1.13	1.13	1.13	1.13

NOTES:

THESE EXPENSES ARE CALCULATED @ 5% OF THE TOTAL SALES TURNOVER PER ANNUM

DETAILS OF REPAIR & MAINTENANCE EXPENSES**(AMOUNT IN LACS)**

DESCRIPTION	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR	VI YEAR	VII YEAR
REPAIR & MAINTENANCE EXPENSES (P.A.)	0.03	0.06	0.09	0.09	0.09	0.09	0.09

NOTES:

IT IS ASSUMED THAT REPAIR & MAINTENANCE COST WILL BE @ 1% FOR THE IST YEAR, 2% II YEAR AND 3% DURING IIIIRD YEAR ONWARDS OF THE TOTAL COST OF BUILDING, MACHINERY AND OTHER FIXED ASSETS

DEPRECIATION SCHEDULE

YEAR	PARTICULARS		BUILDING	MFA	TOTAL
	DEPRECIATION RATE %		0.00%	10.00%	
	BASIC COST		0.00	3.00	3.00
I	DEPRECIATION		0.00	0.30	0.30
		W.D.V	0.00	2.70	2.70
II	DEPRECIATION		0.00	0.27	0.27
		W.D.V	0.00	2.43	2.43
III	DEPRECIATION		0.00	0.24	0.24
		W.D.V	0.00	2.19	2.19
IV	DEPRECIATION		0.00	0.22	0.22
		W.D.V	0.00	1.97	1.97
V	DEPRECIATION		0.00	0.20	0.20
		W.D.V	0.00	1.77	1.77
VI	DEPRECIATION		0.00	0.18	0.18
		W.D.V	0.00	1.59	1.59
VII	DEPRECIATION		0.00	0.16	0.16
		W.D.V	0.00	1.43	1.43

NOTES

DEPRECIATION HAS BEEN CALCULATED WITH WRITTEN DOWN VALUE METHOD.

INTEREST CALCULATION & REPAYMENT OF TERM - LOAN

AMOUNT OF TERM LOAN	=	8.00	LACS
AMOUNT OF SUBSIDY	=	0.00	LACS
AMOUNT REFUNDABLE	=	8.00	LACS

NO OF INSTALLMENTS	=	78	MONTHLY
AMOUNT OF EMI (EXCLUDING INTEREST) (6 MONTH'S MOROTORIUM PERIOD)		0.10260 Lac	
RATE OF INTEREST P.A.		13.00%	

YEAR	MONTH	Opening Balance	Repayment	Yearly Repayment	Closing Balance	Interest Payable	Yearly
1	1 ST	8.00	0.00		8.00	0.09	
	2 ND	8.00	0.00		8.00	0.09	
	3 RD	8.00	0.00		8.00	0.09	
	4 TH	8.00	0.00		8.00	0.09	
	5 TH	8.00	0.00		8.00	0.09	
	6 TH	8.00	0.00		8.00	0.09	
	7 TH	8.00	0.10		7.90	0.09	
	8 TH	7.90	0.10		7.79	0.09	
	9 TH	7.79	0.10		7.69	0.08	
	10 TH	7.69	0.10		7.59	0.08	
	11 TH	7.59	0.10		7.49	0.08	
	12 TH	7.49	0.10	0.62	7.38	0.08	1.02
2	1 ST	7.38	0.10		7.28	0.08	
	2 ND	7.28	0.10		7.18	0.08	
	3 RD	7.18	0.10		7.08	0.08	
	4 TH	7.08	0.10		6.97	0.08	
	5 TH	6.97	0.10		6.87	0.08	
	6 TH	6.87	0.10		6.77	0.07	
	7 TH	6.77	0.10		6.67	0.07	
	8 TH	6.67	0.10		6.56	0.07	
	9 TH	6.56	0.10		6.46	0.07	
	10 TH	6.46	0.10		6.36	0.07	
	11 TH	6.36	0.10		6.26	0.07	
	12 TH	6.26	0.10	1.23	6.15	0.07	0.89
3	1 ST	6.15	0.10		6.05	0.07	
	2 ND	6.05	0.10		5.95	0.07	
	3 RD	5.95	0.10		5.85	0.06	
	4 TH	5.85	0.10		5.74	0.06	
	5 TH	5.74	0.10		5.64	0.06	
	6 TH	5.64	0.10		5.54	0.06	
	7 TH	5.54	0.10		5.44	0.06	
	8 TH	5.44	0.10		5.33	0.06	
	9 TH	5.33	0.10		5.23	0.06	
	10 TH	5.23	0.10		5.13	0.06	
	11 TH	5.13	0.10		5.03	0.06	
	12 TH	5.03	0.10	1.23	4.92	0.05	0.73

4	1 ST	4.92	0.10		4.82	0.05	
	2 ND	4.82	0.10		4.72	0.05	
	3 RD	4.72	0.10		4.62	0.05	
	4 TH	4.62	0.10		4.51	0.05	
	5 TH	4.51	0.10		4.41	0.05	
	6 TH	4.41	0.10		4.31	0.05	
	7 TH	4.31	0.10		4.21	0.05	
	8 TH	4.21	0.10		4.10	0.05	
	9 TH	4.10	0.10		4.00	0.04	
	10 TH	4.00	0.10		3.90	0.04	
	11 TH	3.90	0.10		3.79	0.04	
	12 TH	3.79	0.10	<u>1.23</u>	3.69	0.04	<u>0.57</u>
5	1 ST	3.69	0.10		3.59	0.04	
	2 ND	3.59	0.10		3.49	0.04	
	3 RD	3.49	0.10		3.38	0.04	
	4 TH	3.38	0.10		3.28	0.04	
	5 TH	3.28	0.10		3.18	0.04	
	6 TH	3.18	0.10		3.08	0.03	
	7 TH	3.08	0.10		2.97	0.03	
	8 TH	2.97	0.10		2.87	0.03	
	9 TH	2.87	0.10		2.77	0.03	
	10 TH	2.77	0.10		2.67	0.03	
	11 TH	2.67	0.10		2.56	0.03	
	12 TH	2.56	0.10	<u>1.23</u>	2.46	0.03	<u>0.41</u>
6	1 ST	2.46	0.10		2.36	0.03	
	2 ND	2.36	0.10		2.26	0.03	
	3 RD	2.26	0.10		2.15	0.02	
	4 TH	2.15	0.10		2.05	0.02	
	5 TH	2.05	0.10		1.95	0.02	
	6 TH	1.95	0.10		1.85	0.02	
	7 TH	1.85	0.10		1.74	0.02	
	8 TH	1.74	0.10		1.64	0.02	
	9 TH	1.64	0.10		1.54	0.02	
	10 TH	1.54	0.10		1.44	0.02	
	11 TH	1.44	0.10		1.33	0.02	
	12 TH	1.33	0.10	<u>1.23</u>	1.23	0.01	<u>0.25</u>
7	1 ST	1.23	0.10		1.13	0.01	
	2 ND	1.13	0.10		1.03	0.01	
	3 RD	1.03	0.10		0.92	0.01	
	4 TH	0.92	0.10		0.82	0.01	
	5 TH	0.82	0.10		0.72	0.01	
	6 TH	0.72	0.10		0.62	0.01	
	7 TH	0.62	0.10		0.51	0.01	
	8 TH	0.51	0.10		0.41	0.01	
	9 TH	0.41	0.10		0.31	0.00	
	10 TH	0.31	0.10		0.21	0.00	
	11 TH	0.21	0.10		0.10	0.00	
	12 TH	0.10	0.10	<u>1.23</u>	0.00	0.00	<u>0.09</u>

PROJECTED PROFITABILITY STATEMENT

DESCRIPTION	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR	VI YEAR	VII YEAR
CAPACITY UTILISATION	60%	65%	70%	75%	75%	75%	75%
INCOME							
SALES REALISATIONS	18.00	19.50	21.00	22.50	22.50	22.50	22.50
TOTAL (A)	18.00	19.50	21.00	22.50	22.50	22.50	22.50
COST OF PRODUCTION							
RAW MATERIAL							
RAW MATERIAL CONSUMED	5.14	5.57	5.99	6.42	6.42	6.42	6.42
DIRECT EXPENSES							
WAGES	2.76	3.04	3.34	3.67	4.04	4.45	4.89
UTILITIES	0.68	0.74	0.80	0.86	0.86	0.86	0.86
TOTAL COST OF PRODUCTION (B)	8.58	9.34	10.13	10.95	11.32	11.72	12.17
C. GROSS PROFIT (A - B)	9.42	10.16	10.87	11.55	11.18	10.78	10.33
ADMINISTRATIVE & SELLING EXPENSES							
LEASE RENT	1.00	1.10	1.21	1.33	1.46	1.61	1.77
SELLING & DISTRIBUTION EXPENSES	0.90	0.98	1.05	1.13	1.13	1.13	1.13
REPAIR & MAINTENTANCE	0.03	0.06	0.09	0.09	0.09	0.09	0.09
INTEREST ON W/C LOAN @ 13%	0.52	0.52	0.52	0.52	0.52	0.52	0.52
TOTAL (D)	2.45	2.66	2.87	3.07	3.20	3.35	3.51
PROFIT BEFORE INTT, DEPRECIATION & I.TAX (C-D)	6.97	7.50	8.00	8.48	7.98	7.43	6.83
INTEREST ON TERM LOAN	1.02	0.89	0.73	0.57	0.41	0.25	0.09
DEPRECIATION	0.30	0.27	0.24	0.22	0.20	0.18	0.16
TOTAL (E)	1.32	1.16	0.97	0.79	0.60	0.42	0.24
PROFIT BEFORE TAX	5.64	6.35	7.03	7.70	7.38	7.01	6.58
INCOME TAX	0.56	0.63	0.70	0.77	0.74	0.70	0.66
PROFIT AFTER TAX	5.08	5.71	6.33	6.93	6.64	6.31	5.92

PROJECTED BALANCE SHEET

DESCRIPTION	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR	VI YEAR	VII YEAR
<u>LIABILITIES</u>							
<u>CAPITAL ACCOUNT</u>							
OPENING BALANCE	3.90	7.18	10.49	13.82	17.14	19.79	21.49
ADD: NET PROFIT DURING THE YEAR	5.08	5.71	6.33	6.93	6.64	6.31	5.92
	8.98	12.89	16.82	20.74	23.79	26.09	27.42
LESS: WITHDRAWALS	1.80	2.40	3.00	3.60	4.00	4.60	5.00
CLOSING BALANCE	7.18	10.49	13.82	17.14	19.79	21.49	22.42
<u>SECURED LOANS</u>							
TERM LOAN	7.38	6.15	4.92	3.69	2.46	1.23	0.00
WORKING CAPITAL LOAN	4.00	4.00	4.00	4.00	4.00	4.00	4.00
<u>CURRENT LIABILITIES</u>							
SUNDRY CREDITORS	0.77	0.71	0.76	0.81	0.80	0.80	0.80
TOTAL	19.33	21.35	23.50	25.65	27.05	27.53	27.22
<u>ASSETS</u>							
<u>FIXED ASSETS</u>							
GROSS BLOCK	3.00	3.00	3.00	3.00	3.00	3.00	3.00
LESS: DEPRECIATION	0.30	0.57	0.81	1.03	1.23	1.41	1.57
WRITTEN DOWN VALUE	2.70	2.43	2.19	1.97	1.77	1.59	1.43
<u>NET CURRENT ASSETS</u>							
INVENTORY	3.43	3.73	4.03	4.34	4.44	4.54	4.65
DEBTORS	2.25	2.44	2.63	2.81	2.81	2.81	2.81
CASH & BANK BALANCES	10.96	12.76	14.66	16.53	18.03	18.58	18.33
TOTAL	19.33	21.35	23.50	25.65	27.05	27.53	27.22

PROJECTED CASH FLOW STATEMENTS**FOR THE YEAR ENDED**

DESCRIPTION	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR	VI YEAR	VII YEAR
TERM LOAN	8.00						
PROMOTER'S CONTRIBUTION	3.90						
NET PROFIT BEFORE INTT, DEP. & TAXES	6.97	7.50	8.00	8.48	7.98	7.43	6.83
WORKING CAPITAL LOAN	4.00						
INCREASE IN CREDITORS	0.77	-0.06	0.05	0.05	-0.01	0.00	0.00
TOTAL (A)	23.64	7.44	8.05	8.54	7.97	7.43	6.83
INCREASE IN FIXED ASSETS	3.00						
REPAYMENT OF TERM LOAN	0.62	1.23	1.23	1.23	1.23	1.23	1.23
PAYMENT OF INTEREST	1.02	0.89	0.73	0.57	0.41	0.25	0.09
INCREASE IN SUNDRY DEBTORS	2.25	0.19	0.19	0.19	0.00	0.00	0.00
INCREASE IN INVENTORY	3.43	0.30	0.30	0.31	0.09	0.10	0.11
INCOME TAX	0.56	0.63	0.70	0.77	0.74	0.70	0.66
DRAWINGS BY PROMOTERS	1.80	2.40	3.00	3.60	4.00	4.60	5.00
TOTAL (B)	12.68	5.64	6.15	6.67	6.47	6.88	7.09
OPENING BALANCE	0.00	10.96	12.76	14.66	16.53	18.03	18.58
NET INFLOW	10.96	1.80	1.90	1.87	1.50	0.55	-0.26
CLOSING BALANCE	10.96	12.76	14.66	16.53	18.03	18.58	18.33

DEBT SERVICE COVERAGE RATIO

DESCRIPTION	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR	VI YEAR	VII YEAR
<u>FUNDS AVAILABLE FOR SERVICING DEBTS</u>							
PROFIT AFTER TAX	5.08	5.71	6.33	6.93	6.64	6.31	5.92
DEPRECIATION	0.30	0.27	0.24	0.22	0.20	0.18	0.16
INTEREST ON TERM LOAN	1.02	0.89	0.73	0.57	0.41	0.25	0.09
TOTAL (A)	6.40	6.87	7.30	7.71	7.24	6.73	6.17
<u>DEBTS TO BE SERVICED</u>							
REPAYMENT OF TERM LOAN	0.62	1.23	1.23	1.23	1.23	1.23	1.23
INTEREST ON LOAN	1.02	0.89	0.73	0.57	0.41	0.25	0.09
TOTAL (B)	1.64	2.12	1.96	1.80	1.64	1.48	1.32
D. S. C. R = A/B	3.91	3.24	3.73	4.29	4.42	4.56	4.69
AVG DSCR	28.84	/7					
=	4.12						

CALCULATION OF INTERNAL RATE OF RETURN
(BEFORE TAX)

YEAR	CASH OUT FLOW	CASH IN FLOW	NET CASH RECEIPT	DISCOUNT RATE			PRESENT VALUE OF NET CR		
				20%	25%	30%	20%	25%	30%
1	12.68	23.64	10.96	1.000	1.000	1.000	10.96	10.96	10.96
2	5.64	7.44	1.80	0.833	0.800	0.769	1.50	1.44	1.39
3	6.15	8.05	1.90	0.694	0.640	0.592	1.32	1.22	1.12
4	6.67	8.54	1.87	0.579	0.512	0.350	1.08	0.96	0.65
5	6.47	7.97	1.50	0.482	0.410	0.269	0.73	0.62	0.40
6	6.88	7.43	0.55	0.402	0.328	0.207	0.22	0.18	0.11
7	7.09	6.83	-0.26	0.335	0.262	0.159	-0.09	-0.07	-0.04
				TOTAL			15.72	15.30	14.60

LOWER DISCOUNT RATE 25
 RATE DIFFERENCE 5
 PRESENT VALUE AT MIN. RATE 15.72
 PRESENT VALUE AT LOWER RATE 15.30
 PRESENT VALUE AT HIGHER RATE 14.60

PRESENT VALUE AT MIN RATE

INTERNAL RATE OF
RETURN=

LOWER RATE + RATE DIFFERENCE x

PV AT LOWER RATE+ PV AT
HIGHER RATE

INTERNAL RATE OF RETURN = 27.63 %

BREAK EVEN POINT ANALYSIS

(BASED ON THIRD YEAR WORKING RESULTS)

S. NO	PARTICULARS	AMOUNT P.A. (RS IN LACS)	
A	SALES	21.00	
B	<u>LESS: VARIABLE COST</u>		
1	RAW MATERIAL CONSUMED	5.99	
2	WAGES	3.34	
3	UTILITIES	0.80	
4	SELLING EXPENSES	1.05	
5	INTEREST ON W/C LOAN	0.52	11.70
C	CONTRIBUTION (A - B)	9.30	
D	<u>LESS: SEMI-VARIABLES & FIXED COST</u>		
1	REPAIR & MAINTENANCE	0.09	
2	LEASE RENT	1.21	
3	INTEREST ON TERM LOAN	0.73	
4	DEPRECIATION	0.24	2.27
E	NET PROFIT	7.03	
F	B.E.P. (IN TERMS OF CAPACITY UTILISATION) FIXED COST / CONTRIBUTION		
		2.27	24.41%
		9.30	
	B.E.P. AT FULL CAPACITY	17.09%	
G	B.E.P (IN TERMS OF SALES REALISATION)		
	F	X	A
	BEP IN TERMS OF CAPACITY	X	SALES
	17.09%	X	21.00
	3.59	LACS	