

PROJECT REPORT



POULTRY HATCHERY UNIT

CAPACITY- 300000 EGGS



Shree Hindustan Hatcheries

Ekchalia, Sangalei Sasan, Pipili, Puri

CAE

(COMMERCIAL AGRICULTURE ENTERPRISES)

Financed by Allahabad Bank, BJB Nagar

PROJECT REPORT

ON

HATCHERY UNIT

Total capacity - 300000 eggs

SHREE HINDUSTAN HATCHERIES

At: Ekchalia, Po: Sangalei Sasan, Ps: Pipili, Dist: Puri, Odisha

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DETAILS OF THE ENTREPRENEUR



NAME -	Dr. Santosh Kumar Lenka
S/D/W/O -	Mr. Damodar Lenka
ADDRESS -	Bajrakota
G.P. /NAC-	Bajrakota
P.O. -	Baunshagada
P.S. -	Ranapur
BLOCK -	Ranapur
DIST -	Nayagarh
PH -	752026
AGE -	48 yrs
Contacts	
<i>Phone</i>	+91 9938828708
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CATEGORY -	Graduate in Agriculture or allied sciences

Promoters Profile :

The entrepreneur has an educational background of Bachelor in Veterinary Science and Animal Husbandry followed by Masters degree in Veterinary Medicine. He has also served for the State Government of Odisha for a span of twenty one years and has the experience of dealing with many such enterprises. Now, inspired by the profitability of the trade, Government encouragements and the market demand of Day-old-chicks he has quit his Government job and decided to venture into the poultry hatchery project, expecting his background will help him to perform better compared to other people in the business.

PROJECT SITE AND OWNERSHIP RIGHTS :

A. Details of the site

Plot no (s)	:	1111
Khata no (s)	:	2222
Mouza	:	Ekchalia
Tahsil	:	Pipili
District	:	Puri
Area (acres)	:	1

B. Ownership

The property has absolute, clear & marketable title proposed to be mortgaged & can create a valid charge/ equitable mortgage. The property is free from all type of encumbrances. It is not coming under any land acquisition Act or other state legislation, provisions. The property is assessable to side road & has exclusive & independent status.

C. Location

The land is situated at Ekchalia mouza which apposed to the Cuttack-Puri highway. The location of the land is full of natural ambience, surplus power, and abundant water & with a peaceful atmosphere.

D. Communication

- Roadways : The site is located at a distance of 0.25 kilometers from the Cuttack-Puri highway. From the highway a cement concrete approach road connects to the proposed site.
- Railways : The proposed site is also well communicated by railways; i.e. the nearest railway station is situated at Bhubaneswar at a mere distance of fifteen kilometers.
- Airways : The nearest airport being situated at Bhubaneswar, the capital city of Odisha, is at a distance of twelve kilometers only.

BUSINESS STRATEGY AND MARKET SECURITY

The Hatchery business envisages procurement of inputs (like fertile eggs, veterinary aids, disinfectants, fuel and other consumables) and disposal of outputs (like chicks, damaged eggs and other byproducts) which are mostly biological entities and hence perishable in nature. Thus the biggest challenge is '*timely transactions at appropriate prices*'. The timely transactions also maximize the profit by way of optimum utilization of the assets.

Hence it has been planned to insure a major portion (i.e. approximately 5

0%) of the supplies and sales by way of execution of contracts with the forward and backward market links with preference to single organization and buy-back provisions. Negotiations in this regard are already in process with 'Suguna poultry'. It has been planned to run **five** out of the **ten** incubators and **three** out of the **six** hatchers on such contract basis. The earnings from such buy-back agreement have been assumed on lower side to be @ Rs 1/- per numbers of eggs set for calculations in this 'Project report'.

However **five** numbers of incubators and **three** numbers of hatchers will be run independently by the entrepreneur for keeping updates information of both forward and backward market trends.

IMPLEMENTATION SCHEDULE

The project may be implemented in 6 months after the sanction of the loan. The implementation schedule has been worked out as follows:

<i>Activity</i>	<i>Duration in months</i>	<i>Period in months</i>
Market study and project preparation	1	0.0 - 1.0
Sanction of loan	1	1.0 - 2.0
Acquisition of land and development etc.	1	2.0 - 3.0
Sanction of electric power and telephone connection	0.5	2.0 - 2.5
Construction of hatchery building and other civil works	4	3.0 - 7.0
Procurement of machinery and equipments	2	3.0 - 5.0
Electrification & installation of Machinery	1	7.0 - 8.0
Recruitment of Staff and labour	0.5	8.0 - 8.5
Trial Run	0.7	8.5 - 9.2
Commercial production	0.7	9.2 - 9.9

The project may yield result by the 10th month.

EMPLOYMENT GENERATION

Type of manpower	Nos	Employment generation per year	Salary per month per staff	Expenses per year (Rs)		
				Salary	Perquisites @ 10%	Total
1	2	3	4	5	6	7
Manager (Entrepreneur)	1	365	0	0	0	0
Accountant cum clerk	1	365	7500	90000	9000	99000
Operator	4	1460	6000	288000	28800	316800
Unskilled laborers	6	2190	4500	324000	32400	356400
Guard cum peon	3	1095	3000	108000	10800	118800
Total	15	5475	----	810000	81000	891000

Percentage increment in salaries per annum = 5%

BASIS AND PRESUMPTIONS

Technical parameters

Hatchability	85.00%
Damage of eggs (To be discarded before setting)	0.50%
Discard rate of hatched chicks	0.50%
Chicks to be supplied free of cost	2.00%
Operative period of the project (years) :	8
Total no of incubators	10
No of incubators to be run jointly under buy-back contract	5
No of incubators to be used for own production	5
Total no of hatchers	6
No of hatchers to be run jointly under buy-back contract	3
No of hatchers to be used for own production	3
Batch size under independent production	50000
Batch size under under buy-back contract	50000

Economic parameters

Cost of Vety aids (vaccines, antibiotics etc) (Rs/ year)	650000
Cost of chemicals , sanitizers, disinfectants etc (Rs/ year)	1040000
Construction charges : Rs. /- per sq. ft.	500
Cost of eggs (Rs / box of 360 eggs)	8640
Cost of packaging materials (Rs/ carton of 51 chicks)	30
Cost of power and fuel (Rs/ year)	600000
Administrative overheads (Rs/ year)	50000
Repairs and maintenance @ 1% of cost of civil works (Rs/ year)	38600
Transport charges (Rs/ year)	200000
Advertisement and publicity (Rs/ year)	50000
Insurance @ 1% of cost of assets (Rs/ year)	111700
Salaries and perks (Rs/ year) to be hiked @ 5% per annum	891000
Sales expenses (Rs/ year)	50000
Misc. expenditure (Rs/ year)	150000
Sale price of DoCs (Rs / carton of 51 chicks)	1675
Sale price of discarded DoCs (Rs /chick)	24
Sale price of empty egg cartons	10
Sale price of unhatched/ infertile eggs	3.5
Earnings from operations under buy-back contract (Rs/ no of eggs set)	1

Financial parameters

Rate of appreciation in prices per annum	5%
Rate of interest on working capital :	12%
Rate of interest on fixed capital :	11%
Rate of taxes applicable (As per Corporate tax rates for 2017-18)	25.75%
Rates of depreciation as per Companies act in WDV method	
Civil structures	9.50%
Machineries and equipments	18.10%
Rates of depreciation as per Income tax act in WDV method	
Civil structures	10.00%
Machineries and equipments	15.00%
Assumed rates for stressed DSCR analysis	
Rate of hike in prices of RM sales remaining constant	5.0%
Rate of decline in sales prices of RM remaining constant	5.0%

CIVIL STRUCTURES

Str no	Section	Purpose	Tentative dimensions (ft)		Remarks/ Specifications
			Length (E-W)	Breadth (N-S)	
1	Egg reception	Receipt and unloading of eggs procured	10	20	Raised platform
2	Staff common room	Refreshment of staff	17	8	
3	Office	Records and accounts	17	12	
4	Store -I	Storage of trays, cartons and equipments	10	15	
5	Wash room	Washing and disinfection of trays etc	10	15	
6	Egg handling room	Candling, grading and traying of eggs	20	25	
7	Store -II	Storage of trayed eggs	13	10	
8	Fumigation chamber	Fumigation of trayed eggs	20	25	
9	Setter room	Incubation of trayed eggs	28	40	
10	Hatcher room	Hatching of eggs	20	30	
11	Verendah		8/28	25/10	
12	Chick handling room	Processing of fresh hatched chicks as follows	17	40	
12A	Sexing section	Sexing of chicks	12	12.5	
12B	Vaccination section	Vaccination of chicks	12	12.5	
12C	Packaging section	Packaging of chicks in cartons	12	15	
13	Store - III	Storage of packaged chicks	17.5	35	
14	Loading Space	Loading of chick carriage vans	17.5	25	Raised platform
15	Incinerator room	Disposal of dead birds, egg shells and other hatchery wastes	20	15	
16	Parking slot	Parking of vehicles	12	40	
17	Soakage pit	Soakage of waste water	17	18	
18	Over head tank	Water supply	10	10	
19	Watchman room	Vigilance	12.5	10	
20	Internal roads	Movement of vehicles and outsiders	77/10	10/60	

Cost of civil structures

Sl no	Civil structures	Str no	Unit	No of units	Unit cost (Rs/unit)	Total costs (Rs)
1	Factory area	1-14	Sft	5860	500	2930000
2	Parking area	16	Sft	480	200	96000
3	Incinerator room	15	Sft	300	500	150000
3	Soakage pit	17	Cft	2448	100	244800
4	Overhead tank	18	Cft	800	250	200000
5	Watchman room	19	Sft	125	250	31250
6	Internal roads	20	Sft	1370	150	205500
TOTAL						3857550
SAY						3858000

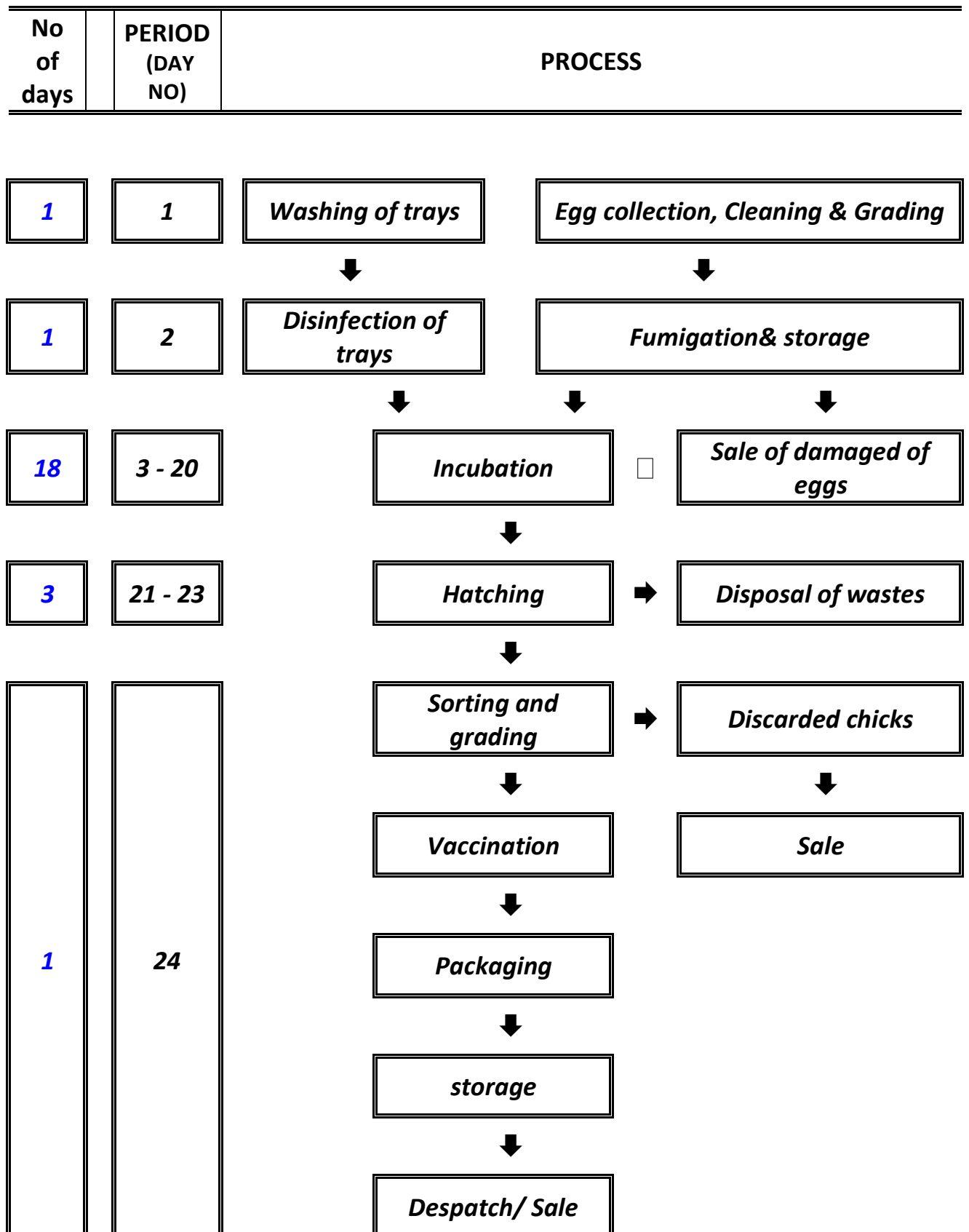
PRELIMINARY AND PRE-OPERATIVE EXPENSES

<i>Article</i>	<i>Specification</i>	<i>Unit</i>	<i>No of units</i>	<i>Unit cost</i>	<i>Total cost (Rs)</i>
Land acquisition	High land owned by entrepreneur	Acres	1	0	0
Legal Expenses			Lump sum		20000
Establishment Cost	Travelling, Start up expenses		Lump sum		30000
Architect consultancy Fees	1% of cost of civil structures	Rs	3858000	1%	39000
Land Development	Leveling	Acres	1	25000	25000
Fencing of the premises	Brick wall	rft	1040	250	260000
Sub Total					374000

Machinery and equipments

<i>Article</i>	<i>Specification</i>	<i>Unit</i>	<i>No of units</i>	<i>Unit cost</i>	<i>Total cost (Rs Lacs)</i>
A. Hatchery equipments					
Egg Hatcher	Automatic, capacity 30000 eggs	Nos	6	175000	1050000
Egg setter	Automatic, capacity 30000 eggs	Nos	10	290000	2900000
Electric egg tester	Candler	Nos	5	600	3000
Electric Debeaker		Nos	5	1250	6250
Egg weighing scale	1-100 gram capacity	Nos	5	750	3750
Weighing balance		Nos	5	5000	25000
Desert cooler, air circulator etc			Lump sum		120000
Veterinary equipments			Lump sum		6000
Sub Total					4114000
B. Power supply equipments					
Electrification and installations	Wiring and general fittings etc		Lump sum		58600
Electrical panels	For machinery & DG set	Nos	1	160000	160000
Transformer	100 KVA	Nos	1	500000	500000
Diesel operated generator set	100 KVA	Nos	2	700000	1400000
Sub Total					2118600
C. Office equipments					
Office furniture			Lump sum		50000
Desktop	With printer & other accessories	Nos	1	30000	30000
Office stationeries			Lump sum		5000
Sub Total					85000
D. Water supply and sanitary system equipments					
Deep bore well	10 inches dia	Nos	1	80000	80000
Pump set	3 HP submersible	Nos	1	40000	40000
WS pipelines	Pipes, joints, bends, valves etc		Lump sum		30000
WS fittings	Basins, taps		Lump sum		30000
Drainage system	Waste pipes, joints, bends etc				20000
Sub Total					200000
D. Miscellaneous equipments					
Refrigerator	240 ltr	Nos	1	20000	20000
Electric incinerator		Nos	1	450000	450000
Air conditioner	1.5 TR	Nos	3	40000	120000
Other requisites	Buckets, trays, baskets etc.		Lump sum		30000
Sub Total					620000
Total cost of machineries and equipments					7137600
Transportation to the site Lump sum					100000
Costs of erection and commissioning @ 1% of costs					71376
Total cost of machineries and equipments					7308976

FLOW CHART OF HATCHERY OPERATIONS



ASSESSMENT OF WORKING CAPITAL

Operating cycle method

A. Assumption

As 5 incubators and 3 hatchers are operated under buy-back agreement, while calculating the working capital these are not to be taken into account. The working capital is to be calculated on the basis of operations of 5 numbers of incubators and 3 numbers of hatchers only.

B. Estimation of operating cycle

Processing and storage of eggs	2 days
Incubation period	18 days
Hatching period	3 days
Chicks processing and sale	1 days
Collection period	7 days
Total	31 days

C. No of batches introduced during the cycle 5

D. No of batches sold out during the cycle 2

E. Estimation of working capital

			<u>Rs in lakhs</u>
Purchase cost of eggs	For 5 batches		60.48
Purchase of chick boxes	For 2 batches		0.50
Power and fuel expenses	For 31 days		0.51
Veterinary aids	For 31 days		0.55
Disinfectants	For 31 days		0.88
Administrative overheads	For 31 days		0.04
Repairs and maintenance	For 31 days		0.03
Transport costs	For 31 days		0.17
Advertisement and publicity	For 31 days		0.04
Insurance	For one year		1.12
Salaries and perks	For 1 months		0.68
Sales expenses	For 31 days		0.04
Misc. expenditure	For 31 days		0.13
TOTAL			65.17

COST OF THE PROJECT

<i>Article</i>	<i>Total cost (Rs Lacs)</i>
A. Preliminary and Pre-operative Expenses	3.74
B. Built-up Area and other Civil Works detailed earlier	38.58
C. Machinery and Equipments	73.09
<i>Capital cost of the project (A+B+C+D)</i>	115.41
<i>Working capital requirement for one operating cycle</i>	65.17
<i>Total cost of the project</i>	180.58

SOURCES OF FUNDS

A Fixed capital cost

Term loan	98.00
Margin @ 15 %	17.41
TOTAL	115.41

B Working capital cost

Cash credit limit	48.80
Margin @ 25 %	16.37
TOTAL	65.17

C Total equity

Margin for fixed capital	17.41
Margin for working capital	16.37
TOTAL	33.78

C Total loan

Term loan	98.00
Cash credit	48.80
TOTAL	146.80

PROJECTION OF PHYSICAL TRANSACTIONS

Year	1	2	3	4	5	6	7	8
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Forecast of no of batches

Eggs processing and storage section								
No of batches in	24	53	52	52	52	52	52	52
No of batches out	24	52	53	52	52	52	52	52
Incubation section								
No of batches in	24	52	52	53	52	52	52	52
No of batches out	22	52	52	52	52	52	53	52
Hatching section								
No of batches in	22	52	52	52	52	52	52	53
No of batches out	21	52	53	52	52	52	52	52
Chicks processing section								
No of batches in and out	21	52	52	53	52	52	52	52
No of batches in closing stock								
Under eggs processing		1						
Under incubation	2	2	2	3	3	3	2	2
Under hatching	1	1						1
Total	3	4	2	3	3	3	2	3

Per batch

Egg boxes purchased per batch	140	140	140	140	140	140	140	140
No of eggs purchased per batch	50400	50400	50400	50400	50400	50400	50400	50400
Eggs discarded per batch	252	252	252	252	252	252	252	252
No of eggs set per batch	50148	50148	50148	50148	50148	50148	50148	50148
No of chicks produced per batch	42626	42626	42626	42626	42626	42626	42626	42626
No of chicks discarded per batch	213	213	213	213	213	213	213	213
No of saleable chicks per batch	42413	42413	42413	42413	42413	42413	42413	42413
No of chick boxes out per batch	832	832	832	832	832	832	832	832

Total for the year

Total egg boxes purchased	3360	7420	7280	7280	7280	7280	7280	7280
Total chick boxes sold out	17472	43264	43264	44096	43264	43264	43264	43264
No of discarded chicks sold	4476	11083	11083	11296	11083	11083	11083	11083
No of unhatched eggs sold out	6048	13104	13104	13356	13104	13104	13104	13104

SUBSIDY FROM GOVERNMENT

Scheme under which applied	Commercial Agri- Enterprises
Activity undertaken	Poultry hatchery
Category of the beneficiary	Graduate in Agriculture or allied disciplines
Rate of subsidy applicable	50%
Amount of subsidy availed previously	0
Applicable ceiling of subsidy (Rs)	5000000
Capital investment cost of the current project (Rs)	11540976
Calculated amount of subsidy (Rs)	5770488
Subsidy available to the beneficiary as per norms (Rs)	5000000

LENDING TERMS

Capital cost of the project =	₹ 115.41 lakhs
Margin / Own contribution =	₹ 17.41 lakhs
Total term loan =	₹ 98.00 lakhs
Rate of interest =	11.00%
Repayment period in years =	7
Moratorium period in months =	12
Periodicity of repayment =	Monthly
No of repayment installments =	72
Installment amount	₹ 1.2024 lakhs

REPAYMENT SCHEDULE

<i>Year</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
Loan O/S at the beginning of the year		106.09	53.33	44.76	35.26	24.71	13.00	0.00
Amount disbursed	98.00							
Net loan	98.00	106.09	53.33	44.76	35.26	24.71	13.00	0.00
Interest due*	8.09	11.67	5.87	4.92	3.88	2.72	1.43	0.00
No of repayment installments		12	12	12	12	12	12	
Total repayment		14.43	14.43	14.43	14.43	14.43	14.43	
Repayment of interest		11.67	5.87	4.92	3.88	2.72	1.43	0.00
Repayment of principal		2.76	8.56	9.50	10.55	11.71	13.00	0.00
TL outstanding at the end of the year	106.09	103.33	44.76	35.26	24.71	13.00	0.00	0.00
Adjustment of subsidy to loan O/S		50.00						

* The loan will be disbursed in phased manner during the first six months in the first year.

DEPRECIATION SCHEDULE

(Rs in lacs)

(Written down value method)

Year	1	2	3	4	5	6	7	8
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As per Companies act

Civil structures								
Basic cost	38.58	34.91	31.60	28.60	25.88	23.42	21.20	19.18
Depreciation @ 9.5% p.a.	3.67	3.32	3.00	2.72	2.46	2.22	2.01	1.82
WDV	34.91	31.60	28.60	25.88	23.42	21.20	19.18	17.36
Machineries and equipments								
Basic cost	73.09	59.86	49.03	40.15	32.88	26.93	22.06	18.07
Depreciation @ 18.1% p.a.	13.23	10.83	8.87	7.27	5.95	4.87	3.99	3.27
WDV	59.86	49.03	40.15	32.88	26.93	22.06	18.07	14.80
Total of assets								
Basic cost	111.67	94.78	80.62	68.75	58.76	50.35	43.25	37.25
Depreciation	16.89	14.15	11.88	9.98	8.41	7.10	6.01	5.09
WDV	94.78	80.62	68.75	58.76	50.35	43.25	37.25	32.16

As per Income tax act

Civil structures								
Basic cost	38.58	34.72	31.25	28.12	25.31	22.78	20.50	18.45
Depreciation @ 10% p.a.	3.86	3.47	3.12	2.81	2.53	2.28	2.05	1.85
WDV	34.72	31.25	28.12	25.31	22.78	20.50	18.45	16.61
Machineries and equipments								
Basic cost	73.09	62.13	52.81	44.89	38.15	32.43	27.57	23.43
Depreciation @ 15% p.a.	10.96	9.32	7.92	6.73	5.72	4.86	4.13	3.51
WDV	62.13	52.81	44.89	38.15	32.43	27.57	23.43	19.92
Total of assets								
Basic cost	111.67	96.85	84.06	73.01	63.47	55.21	48.07	41.88
Depreciation	14.82	12.79	11.05	9.55	8.25	7.14	6.19	5.36
WDV	96.85	84.06	73.01	63.47	55.21	48.07	41.88	36.52

ECONOMICS

(Rs in lacs)

<i>Year</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
<i>Operating period in days</i>	167	365	365	365	365	365	365	365
<i>Capacity utilization</i>	100%	100%	100%	100%	100%	100%	100%	100%
<i>Price hike multiplication factor</i>	1.00	1.05	1.10	1.16	1.22	1.28	1.34	1.41

Opening stock

Packing materials	0	0.50	0.52	0.55	0.58	0.61	0.64	0.67
Fuel etc.	0	0.12	0.12	0.13	0.13	0.14	0.15	0.15
Vety aids	0	0.12	0.13	0.14	0.14	0.15	0.16	0.17
Sanitizers, disinfectants etc	0	0.20	0.21	0.22	0.23	0.24	0.25	0.27
Eggs under Storage, fumigation etc	0	0.00	12.70	0.00	0.00	0.00	0.00	0.00
Eggs under incubation & hatching	0	36.29	38.10	26.67	42.01	44.11	46.31	32.42
Total	0.0	37.2	51.8	27.7	43.1	45.2	47.5	33.7

Stock purchases

Packing materials	5.74	13.65	14.34	15.34	15.81	16.60	17.43	18.30
Fuel etc.	2.86	6.31	6.62	6.95	7.30	7.66	8.05	8.45
Vety aids	3.10	6.83	7.17	7.53	7.91	8.30	8.72	9.15
Sanitizers, disinfectants etc	4.96	10.93	11.48	12.05	12.65	13.29	13.95	14.65
Eggs	302.40	674.96	669.33	743.47	766.64	804.98	845.23	903.70
Total	319.1	712.7	708.9	785.3	810.3	850.8	893.4	954.2

Closing stock

Packing materials	0.50	0.52	0.55	0.58	0.61	0.64	0.67	0.70
Fuel etc.	0.12	0.12	0.13	0.13	0.14	0.15	0.15	0.16
Vety aids	0.12	0.13	0.14	0.14	0.15	0.16	0.17	0.18
Sanitizers, disinfectants etc	0.20	0.21	0.22	0.23	0.24	0.25	0.27	0.28
Eggs under Storage, fumigation etc	0.00	12.70	0.00	0.00	0.00	0.00	0.00	0.00
Eggs under incubation & hatching	36.29	38.10	26.67	42.01	44.11	46.31	32.42	51.06
Total	37.2	51.8	27.7	43.1	45.2	47.5	33.7	52.4

Total of opening stock	0.00	37.23	51.79	27.71	43.09	45.25	47.51	33.68
Stock purchases	319.06	712.68	708.94	785.35	810.31	850.83	893.37	954.24
Total of closing stock	37.23	51.79	27.71	43.09	45.25	47.51	33.68	52.38
Cost of goods sold	281.83	698.11	733.02	769.96	808.16	848.56	907.20	935.54

P.T.O.

<i>Year</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
<i>Expenses</i>								
Administrative overheads	0.23	0.53	0.55	0.58	0.61	0.64	0.67	0.70
Repairs and maintenance	0.18	0.41	0.43	0.45	0.47	0.49	0.52	0.54
Transport costs	0.92	2.10	2.21	2.32	2.43	2.55	2.68	2.81
Advertisement and publicity	0.23	0.53	0.55	0.58	0.61	0.64	0.67	0.70
Insurance	0.51	1.17	1.23	1.29	1.36	1.43	1.50	1.57
Salaries and perks	4.08	9.36	9.80	10.25	10.69	11.14	11.58	12.03
Sales expenses	0.23	0.53	0.55	0.58	0.61	0.64	0.67	0.70
Interest on working capital	2.93	5.86	5.86	5.86	5.86	5.86	5.86	5.86
Misc. recurring expenditure	0.69	1.58	1.65	1.74	1.82	1.91	2.01	2.11
Total	9.98	22.04	22.83	23.63	24.45	25.29	26.15	27.03

<i>Income</i>								
Sale of chicks	292.66	760.91	798.95	855.03	880.84	924.89	971.13	1019.7
Sale of empty egg cartons	0.34	0.78	0.80	0.84	0.88	0.93	0.98	1.02
Sale of discarded chicks	1.07	2.79	2.93	3.14	3.23	3.39	3.56	3.74
Sale of unhatched eggs	0.21	0.48	0.51	0.54	0.56	0.59	0.61	0.65
Earnings from productions on contract basis	11.00	26.00	26.00	26.00	26.00	26.00	26.50	26.00
Total	305.3	791.0	829.2	885.6	911.5	955.8	1002.8	1051.1

COMPUTATION OF TAXES

(Rs in lacs)

<i>Year</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
Income (Sales turnover)	305.3	791.0	829.2	885.6	911.5	955.8	1002.8	1051.1
Cost of goods sold	281.83	698.11	733.02	769.96	808.16	848.56	907.20	935.54
Expenses	9.98	22.04	22.83	23.63	24.45	25.29	26.15	27.03
Depreciation as per Income tax act	14.82	12.79	11.05	9.55	8.25	7.14	6.19	5.36
Interest on Term loan	8.09	11.67	5.87	4.92	3.88	2.72	1.43	0.00
Interest on Cash Credit	2.93	5.86	5.86	5.86	5.86	5.86	5.86	5.86
Taxable income	-12.37	40.49	50.58	71.64	60.92	66.22	55.96	77.31
Tax amount payable	0.00	10.43	13.02	18.45	15.69	17.05	14.41	19.91

PROFIT LOSS STATEMENT

<i>Year</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
Gross income	305.3	791.0	829.2	885.6	911.5	955.8	1002.8	1051.1
Cost of goods sold	281.83	698.11	733.02	769.96	808.16	848.56	907.20	935.54
Gross profit	23.45	92.84	96.17	115.59	103.36	107.23	95.58	115.56
Expenses	9.98	22.04	22.83	23.63	24.45	25.29	26.15	27.03
Operating profit	13.47	70.80	73.34	91.96	78.91	81.94	69.43	88.52
Depreciation as per Companies act	16.89	14.15	11.88	9.98	8.41	7.10	6.01	5.09
Earnings before int. & tax (EBIT)	-3.43	56.65	61.47	81.98	70.50	74.84	63.42	83.43
Interest on term loan due	8.09	11.67	5.87	4.92	3.88	2.72	1.43	0.00
Interest on CC limit due	2.93	5.86	5.86	5.86	5.86	5.86	5.86	5.86
Earnings before tax	-14.44	39.13	49.75	71.20	60.77	66.26	56.14	77.58
Tax liability	0.00	10.43	13.02	18.45	15.69	17.05	14.41	19.91
Net profit (Profit after tax)	-14.44	28.70	36.72	52.75	45.08	49.21	41.73	57.67
Net cash accruals	13.47	60.38	60.32	73.52	63.22	64.89	55.02	68.62
Principal repayment	0.00	2.76	8.56	9.50	10.55	11.71	13.00	0.00
Total TL repayment	0.00	14.43	14.43	14.43	14.43	14.43	14.43	0.00
Cash accruals after repayment	13.47	57.62	51.76	64.01	52.67	53.18	42.02	68.62
<i>Debt Service coverage ratio (DSCR)</i>	----	4.18	4.18	5.10	4.38	4.50	3.81	----
<i>Average DSCR for seven years</i>	4.51							

PROFIT-LOSS RATIOS

Sales growth	0.00%	159%	4.8%	6.8%	2.9%	4.9%	4.9%	4.8%
CoGs to sales	92.3%	88.3%	88.4%	86.9%	88.7%	88.8%	90.5%	89.0%
Expenses to sales	3.27%	2.79%	2.75%	2.67%	2.68%	2.65%	2.61%	2.57%
Gross profit margin	7.7%	11.7%	11.6%	13.1%	11.3%	11.2%	9.5%	11.0%
Operating ratio	95.6%	91.0%	91.2%	89.6%	91.3%	91.4%	93.1%	91.6%
Net profit margin	-4.7%	3.6%	4.4%	6.0%	4.9%	5.1%	4.2%	5.5%
Mark-up	8.3%	13.3%	13.1%	15.0%	12.8%	12.6%	10.5%	12.4%
Return on equity per annum	1868%	864%	667%	513%	429%	372%	342%	304%
Return on assets per annum	169%	354%	331%	299%	282%	267%	264%	239%
Times interest earned ratio	1.67	6.07	12.50	18.68	20.35	30.15	48.56	---
Inventory turn over	7.57	13.48	26.46	17.87	17.86	17.86	26.94	17.86
Inventory turnover in days	22.06	27.08	13.80	20.43	20.44	20.44	13.55	20.44

STRESSED 'DSCR' ANALYSIS

YEAR	1	2	3	4	5	6	7	8
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STRESSED 'DSCR' WITH 5% HIKE IN PRICES

Total income	305.3	791.0	829.2	885.6	911.5	955.8	1002.8	1051.1
Cost of goods sold	295.92	733.02	769.67	808.46	848.56	890.99	952.56	982.32
Gross profit	9.36	57.94	59.52	77.09	62.96	64.80	50.22	68.78
Expenses	9.98	22.04	22.83	23.63	24.45	25.29	26.15	27.03
Operating profit	-0.62	35.90	36.69	53.46	38.50	39.51	24.07	41.75
Total depreciation	16.89	14.15	11.88	9.98	8.41	7.10	6.01	5.09
Earnings before interest & tax	-17.52	21.75	24.82	43.48	30.09	32.41	18.06	36.65
Interest on loan	11.01	17.53	11.72	10.78	9.73	8.57	7.29	5.86
Profit before tax	-28.53	4.22	13.10	32.70	20.36	23.84	10.78	30.80
Income tax	0.00	1.09	3.37	8.42	5.24	6.14	2.78	7.93
Profit After Tax (PAT)	-28.53	3.13	9.72	24.28	15.12	17.70	8.00	22.87
Depreciation added back	16.89	14.15	11.88	9.98	8.41	7.10	6.01	5.09
Interest on loan added back	11.01	17.53	11.72	10.78	9.73	8.57	7.29	5.86
Surplus for repayment	-0.62	34.81	33.32	45.04	33.26	33.37	21.29	33.82
Total repayment of term loan	0.00	14.43	14.43	14.43	14.43	14.43	14.43	0.00
Debt Service Coverage Ratio	----	2.41	2.31	3.12	2.31	2.31	1.48	----
Average DSCR (7 years)	2.32							

STRESSED 'DSCR' WITH 5% DECREASE IN SALES

Total income	290.01	751.41	787.73	841.28	865.94	908.00	952.65	998.54
Cost of goods sold	281.83	698.11	733.02	769.96	808.16	848.56	907.20	935.54
Gross profit	8.18	53.30	54.71	71.32	57.79	59.44	45.44	63.00
Expenses	9.98	22.04	22.83	23.63	24.45	25.29	26.15	27.03
Operating profit	-1.80	31.26	31.88	47.68	33.34	34.15	19.29	35.97
Total depreciation	16.89	14.15	11.88	9.98	8.41	7.10	6.01	5.09
Earnings before interest & tax	-18.69	17.11	20.01	37.70	24.92	27.05	13.28	30.88
Interest on loan	11.01	17.53	11.72	10.78	9.73	8.57	7.29	5.86
Profit before tax	-29.70	-0.42	8.29	26.92	15.19	18.48	6.00	25.02
Income tax	0.00	0.00	2.13	6.93	3.91	4.76	1.54	6.44
Profit After Tax (PAT)	-29.70	-0.42	6.15	19.99	11.28	13.72	4.45	18.58
Depreciation added back	16.89	14.15	11.88	9.98	8.41	7.10	6.01	5.09
Interest on loan added back	11.01	17.53	11.72	10.78	9.73	8.57	7.29	5.86
Surplus for repayment	-1.80	31.26	29.75	40.75	29.42	29.39	17.75	29.53
Total repayment of term loan	0.00	14.43	14.43	14.43	14.43	14.43	14.43	0.00
Debt Service Coverage Ratio	'----	2.17	2.06	2.82	2.04	2.04	1.23	'----
Average DSCR (7 years)	2.04							

COST - BENEFIT ANALYSIS

(Rs. in Lakhs)

YEAR	1	2	3	4	5	6	7	8
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I Costs

Capital Cost	115.4							
Cost of Production	291.8	720.2	755.8	793.6	832.6	873.9	933.4	962.6
Interest on loan	11.0	17.5	11.7	10.8	9.7	8.6	7.3	5.9
Income tax	0.0	10.4	13.0	18.4	15.7	17.1	14.4	19.9
Total cost	418.2	748.1	780.6	822.8	858.0	899.5	955.0	988.3

II Benefits

	305.3	791.0	829.2	885.6	911.5	955.8	1002.8	1051.1
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III Analysis

Net benefits	-113.0	42.9	48.6	62.7	53.5	56.3	47.7	62.8
Cumulative net benefits	-113.0	-70.1	-21.5	41.2	94.7	151.0	198.8	261.5

Discounting factor @ 11%	0.901	0.812	0.731	0.659	0.593	0.535	0.482	0.434
Discounted costs	376.8	607.2	570.8	542.0	509.2	480.9	460.0	428.9
Discounted benefits	275.0	642.0	606.3	583.3	540.9	511.0	483.0	456.1
Discounted net benefits	-101.8	34.8	35.5	41.3	31.7	30.1	23.0	27.2
Disc. benefits excluding Capital cost	2.2	34.8	35.5	41.3	31.7	30.1	23.0	27.2

Discount factor @ 39 %	0.719	0.518	0.372	0.268	0.193	0.139	0.100	0.072
Disc. net benefits @ 39%	-81.3	22.2	18.1	16.8	10.3	7.8	4.8	4.5

Total discounted net benefits at 39% DF = -1.30

Discount factor @ 38 %	0.725	0.525	0.381	0.276	0.200	0.145	0.105	0.076
Disc. net benefits @ 38%	-81.9	22.5	18.5	17.3	10.7	8.2	5.0	4.8

Total discounted net benefits at 38% DF = 0.29

IV Results

<i>Net Present Worth (NPW) (Rs Lacs)</i>	122.0
<i>Benefit Cost Ratio (BCR)</i>	1.03
<i>Internal Rate of Return (IRR)</i>	38.2%
<i>Pay Back period (PBP) in years</i>	3.34
<i>Profitability Index (PI)</i>	1.72

BREAK - EVEN ANALYSIS

YEAR		1	2	3	4	5	6	7	8
I	Sales income	305.3	791.0	829.2	885.6	911.5	955.8	1002.8	1051.1

II	Variable costs								
	Cost of raw materials & stocks	281.83	698.11	733.02	769.96	808.16	848.56	907.20	935.54
	Transport costs	0.92	2.10	2.21	2.32	2.43	2.55	2.68	2.81
	Sales expenses	0.23	0.53	0.55	0.58	0.61	0.64	0.67	0.70
	Salaries and perks - 25%	1.02	3.12	3.27	3.42	3.56	3.71	3.86	4.01
	Miscellaneous expenses - 50%	0.34	0.79	0.83	0.87	0.91	0.96	1.01	1.06
	Interest on working capital	2.93	5.86	5.86	5.86	5.86	5.86	5.86	5.86
	Total variable costs	287.27	710.50	745.73	782.99	821.53	862.28	921.27	949.98

III	Fixed costs								
	Administrative overheads	0.23	0.53	0.55	0.58	0.61	0.64	0.67	0.70
	Repairs and maintenance	0.18	0.41	0.43	0.45	0.47	0.49	0.52	0.54
	Advertisement and publicity	0.23	0.53	0.55	0.58	0.61	0.64	0.67	0.70
	Insurance	0.51	1.17	1.23	1.29	1.36	1.43	1.50	1.57
	Salaries and perks - 75%	3.06	9.36	9.80	10.25	10.69	11.14	11.58	12.03
	Miscellaneous expenses - 50%	0.34	0.79	0.83	0.87	0.91	0.96	1.01	1.06
	Interest on term loan	8.09	11.67	5.87	4.92	3.88	2.72	1.43	0.00
	Depreciation	16.89	14.15	11.88	9.98	8.41	7.10	6.01	5.09
	Total fixed costs	29.53	38.59	31.13	28.92	26.94	25.11	23.38	21.70

IV	Results								
	Contribution	18.01	80.46	83.47	102.56	89.99	93.52	81.51	101.12
	Contribution margin Ratio	5.90%	10.17%	10.07%	11.58%	9.87%	9.78%	8.13%	9.62%
	BEP - % Capacity installed	163.9%	48.0%	37.3%	28.2%	29.9%	26.8%	28.7%	21.5%
	BEP - % Capacity utilization	164%	48%	37%	28%	30%	27%	29%	21%
	Break-even sales	500.39	379.39	309.25	249.72	272.82	256.61	287.61	225.54
	Margin of safety	-195.12	411.57	519.94	635.84	638.70	699.18	715.18	825.56
	Margin of safety ratio	-64%	52%	63%	72%	70%	73%	71%	79%

PROJECTED SECURED MARGIN & ASSET COVERAGE RATIO

Year	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8
W.D.V. of fixed assets	94.78	80.62	68.75	58.76	50.35	43.25	37.25	32.16
TL outstanding at year-end	106.09	103.33	44.76	35.26	24.71	13.00	0.00	0.00
Margin available	-11.31	-22.70	23.98	23.51	25.64	30.26	37.25	32.16
Secured margin %	-11.9%	-28.2%	34.9%	40.0%	50.9%	69.9%	100%	100%
Asset coverage ratio	0.89	0.78	1.54	1.67	2.04	3.33	--	--

CASH FLOW STATEMENT

Year	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8
<i>Cash flow from operating activities</i>								
Revenue generated	305.28	790.96	829.19	885.55	911.52	955.79	1002.78	1051.10
Stock movement	-319.06	-712.68	-708.94	-785.35	-810.31	-850.83	-893.37	-954.24
Expenses	-9.98	-22.04	-22.83	-23.63	-24.45	-25.29	-26.15	-27.03
Tax expenses			-10.43	-13.02	-18.45	-15.69	-17.05	-14.41
Funding from creditors	6.12	13.67	13.60	15.06	15.54	16.32	17.13	18.30
Payment to creditors		-6.12	-13.67	-13.60	-15.06	-15.54	-16.32	-17.13
Funding to debtors	-5.85	-15.17	-15.90	-16.98	-17.48	-18.33	-19.23	-20.16
Collections from debtors		5.85	15.17	15.90	16.98	17.48	18.33	19.23
Total	-23.50	54.48	86.20	63.94	58.29	63.92	66.13	55.65
<i>Cash flow from investing activities</i>								
Creation of fixed assets	-111.67							
Preliminary expenses	-3.74							
Total	-115.41							
<i>Cash flow from financing activities</i>								
Long term debt	98.00							
Repayment of LT debt		-52.76	-8.56	-9.50	-10.55	-11.71	-13.00	
Interest on long term debt		-11.67	-5.87	-4.92	-3.88	-2.72	-1.43	
Short term debt	48.80	48.80	48.80	48.80	48.80	48.80	48.80	48.80
Repayment of WC debt		-51.73	-54.66	-54.66	-54.66	-54.66	-54.66	-54.66
Subsidy from Govt		50.00						
Owners (equity)	33.78							
Total	180.58	-17.36	-20.28	-20.28	-20.28	-20.28	-20.28	-5.86
Net increase in cash	41.68	37.12	65.91	43.65	38.01	43.63	45.84	49.79
Opening cash balance		38.68	72.30	134.21	173.36	206.37	245.00	285.84
Drawings	-3.00	-3.50	-4.00	-4.50	-5.00	-5.00	-5.00	-5.00
Closing cash balance	38.68	72.30	134.21	173.36	206.37	245.00	285.84	330.64

PROJECTED BALANCE SHEET

(Rs in lakhs)

Year	1	2	3	4	5	6	7	8
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ASSETS

Current assets

Cash & equivalents	38.68	72.30	134.21	173.36	206.37	245.00	285.84	330.64
Accounts receivable	5.85	15.17	15.90	16.98	17.48	18.33	19.23	20.16
Inventory	37.23	51.79	27.71	43.09	45.25	47.51	33.68	52.38
Total Current assets	81.8	139.3	177.8	233.4	269.1	310.8	338.8	403.2

Non-current assets

Property								
Original cost	111.67	94.78	80.62	68.75	58.76	50.35	43.25	37.25
Less: Depreciation	16.89	14.15	11.88	9.98	8.41	7.10	6.01	5.09
Value of assets	94.78	80.62	68.75	58.76	50.35	43.25	37.25	32.16
Preliminary expenses W/O	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74
Total Non-current assets	98.52	84.36	72.49	62.50	54.09	46.99	40.99	35.90

Total Assets	180.3	223.6	250.3	295.9	323.2	357.8	379.7	439.1
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LIABILITIES

Current liabilities

Accounts payable	6.12	13.67	13.60	15.06	15.54	16.32	17.13	18.30
Short term notes payable	51.73	54.66	54.66	54.66	54.66	54.66	54.66	54.66
Income tax payable	0.00	10.43	13.02	18.45	15.69	17.05	14.41	19.91
Total Current liabilities	57.85	78.75	81.28	88.16	85.88	88.03	86.20	92.86

Non-current liabilities

Term loan Principal	106.09	53.33	44.76	35.26	24.71	13.00	0.00	0.00
Total Non-current liabilities	106.09	53.33	44.76	35.26	24.71	13.00	0.00	0.00

Total liabilities	163.93	132.08	126.04	123.42	110.59	101.02	86.20	92.86
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OWNER'S EQUITY

Opening stock	0.00	16.34	91.54	124.27	172.52	212.60	256.81	293.54
ADD; during the period	33.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADD : Subsidy from Govt	0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00
ADD; profit during the period	-14.44	28.70	36.72	52.75	45.08	49.21	41.73	57.67
Less: drawings	-3.00	-3.50	-4.00	-4.50	-5.00	-5.00	-5.00	-5.00

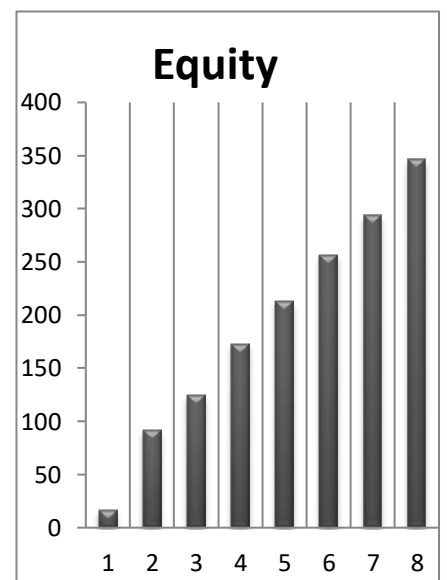
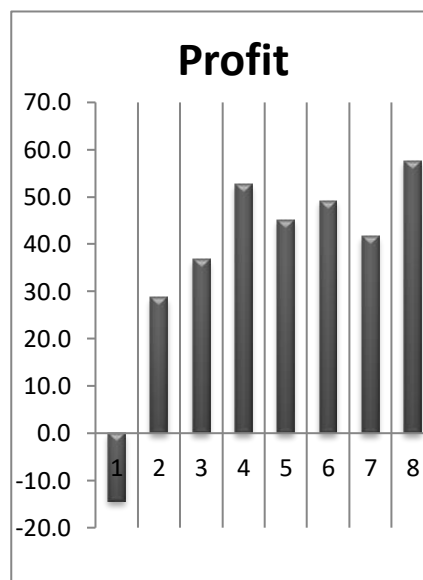
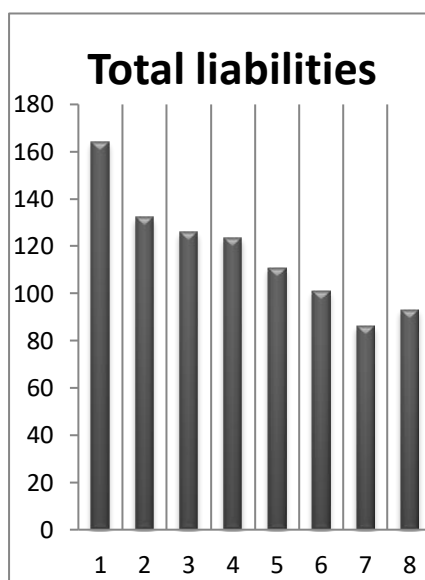
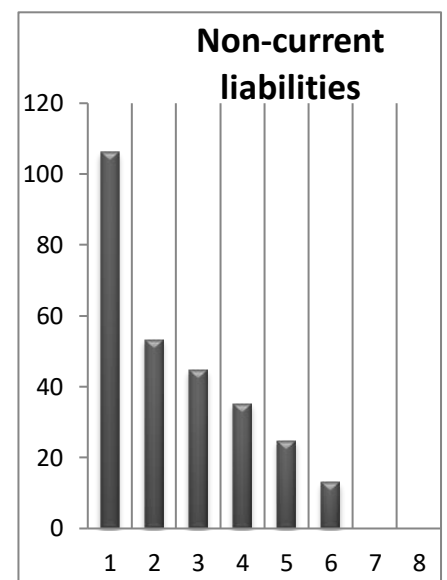
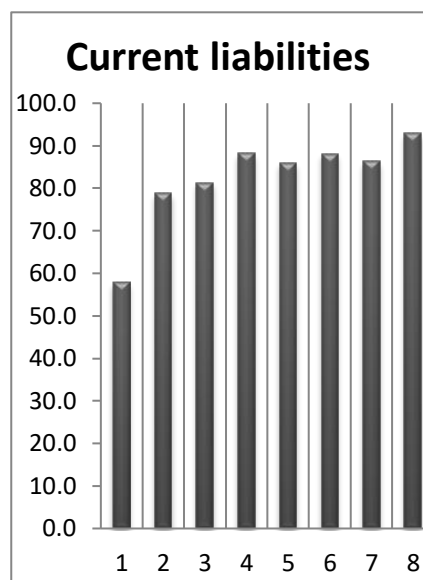
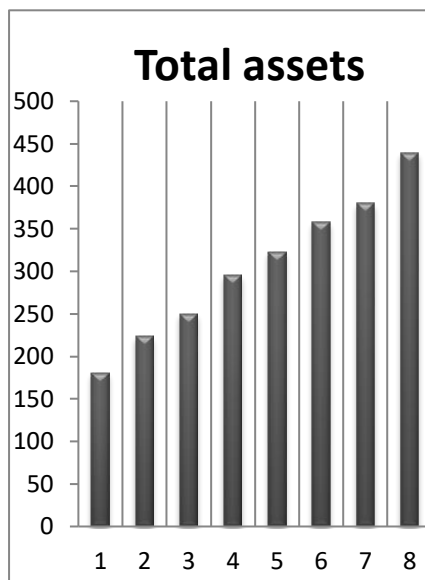
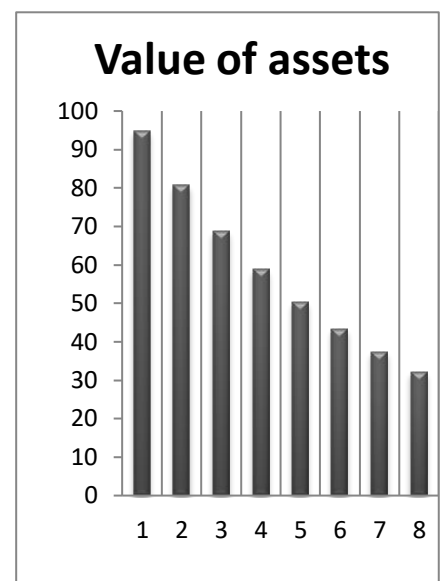
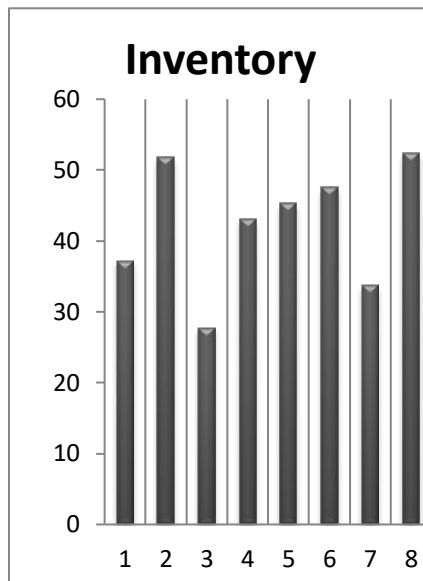
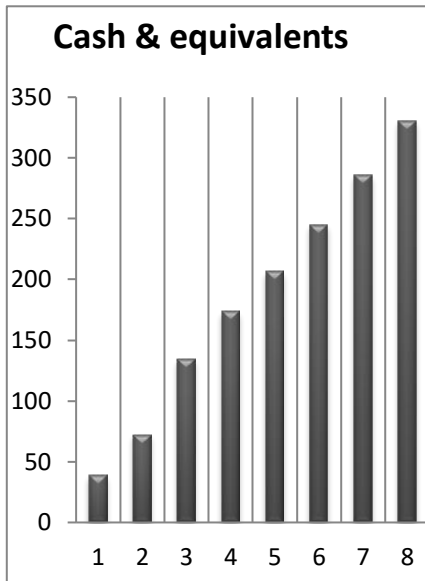
<i>Total Equity</i>	16.34	91.54	124.27	172.52	212.60	256.81	293.54	346.21
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<i>Total Liabilities+ Total equity</i>	180.3	223.6	250.3	295.9	323.2	357.8	379.7	439.1
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BALANCE SHEET RATIOS

Current ratio	1.413	1.768	2.188	2.648	3.133	3.531	3.930	4.342
Quick ratio	0.770	1.111	1.847	2.159	2.606	2.992	3.539	3.778
Working capital (Lakhs Rs)	23.91	60.51	96.54	145.27	183.21	222.82	252.55	310.31
Debt/ Solvency ratio	90.9%	59.06%	50.35%	41.70%	34.22%	28.23%	22.70%	21.15%
Equity ratio	9.07%	40.94%	49.65%	58.30%	65.78%	71.77%	77.30%	78.9%
Fixed assets to net worth	603%	92.2%	58.3%	36.2%	25.44%	18.30%	13.96%	10.37%
Debt to equity ratio	1003%	144.3%	101.4%	71.5%	52.02%	39.34%	29.37%	26.82%
Sales to total assets	163.2%	342.1%	320.9%	290.4%	274.0%	259.8%	257.1%	233.5%

YEAR TO YEAR COMPARISION OF BALANCE SHEET COMPONENTS



STATEMENT OF CHANGES IN WORKING CAPITAL (Rs in lakhs)

YEAR	1	2	3	4	5	6	7	8
<u>Increases</u>								
Current assets								
Cash & equivalents	38.68	33.62	61.91	39.15	33.01	38.63	40.84	44.79
Accounts receivable	5.85	9.31	0.73	1.08	0.50	0.85	0.90	0.93
Inventory	37.23	14.56		15.39	2.15	2.26		18.70
Total increase in Current assets	81.76	57.50	62.65	55.62	35.66	41.74	41.74	64.43
Current liabilities								
Accounts payable			0.07					
Short term notes payable								
Income tax payable					2.76		2.64	
Total increase in Current liabilities	0.00	0.00	0.07	0.00	2.76	0.00	2.64	0.00
Increase in Working capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total increase	81.76	57.50	62.72	55.62	38.42	41.74	44.39	64.43
<u>Decreases</u>								
Current assets								
Cash & equivalents								
Accounts receivable								
Inventory			24.08				13.83	
Total decrease in Current assets	0.00	0.00	24.08	0.00	0.00	0.00	13.83	0.00
Current liabilities								
Accounts payable	6.12	7.55		1.47	0.48	0.78	0.82	1.17
Short term notes payable	51.73	2.93						
Income tax payable		10.43	2.60	5.42		1.36		5.50
Total decrease in Current liabilities	57.85	20.90	2.60	6.89	0.48	2.14	0.82	6.66
Decrease in Working capital	23.91	36.59	36.04	48.73	37.94	39.60	29.74	57.76
Total decrease	81.76	57.50	62.72	55.62	38.42	41.74	44.39	64.43
Net increase in working capital	23.91	36.59	36.04	48.73	37.94	39.60	29.74	57.76

FUNDS FLOW STATEMENT

YEAR	1	2	3	4	5	6	7	8
<u>Sources</u>								
Net decrease in working capital								
Profit during the period	-14.44	28.70	36.72	52.75	45.08	49.21	41.73	57.67
Depriciation	16.89	14.15	11.88	9.98	8.41	7.10	6.01	5.09
Term loan	98.00							
Working capital loan	48.80	48.80	48.80	48.80	48.80	48.80	48.80	48.80
Owners equity	33.78							
Preliminary expenses W/O								
Total	183.04	91.65	97.40	111.54	102.29	105.11	96.53	111.56

Applications

Net increase in working capital	23.91	36.59	36.04	48.73	37.94	39.60	29.74	57.76
Repayment of term loan principal	-8.08	2.76	8.56	9.50	10.55	11.71	13.00	0.00
Repayment of WC loan principal	48.80	48.80	48.80	48.80	48.80	48.80	48.80	48.80
Creation of fixed assets	115.41							
Drawings	3.00	3.50	4.00	4.50	5.00	5.00	5.00	5.00
Total	183.04	91.65	97.40	111.54	102.29	105.11	96.53	111.56

SUMMARY OF FINANCIAL DIAGNOSTICS

<u>DIAGNOSTIC PARAMETRES</u>		<u>VALUES</u>
<u>Financial analysis</u>		
Liquidity	Current Ratio	2.965
	Quick Ratio	2.451
Safety	Debt to Equity Ratio	61.84%
	Fixed assets to net worth	10.37%
	Debt Service Coverage Ratio	4.514
	Times interest earned ratio	14.736
Profitability	Sales Growth	30.54%
	COGS to Sales	88.86%
	Expenses to Sales	2.69%
	Gross Profit Margin	11.14%
	Operating ratio	91.56%
	Net Profit Margin	4.42%
	Return on Equity	444.71%
	Return on Assets	274.78%
Efficiency	Inventory Turnover	17.666
	Inventory turnover in days	20.661
	Sales to Total Assets	267.63%
<u>Cost- Benefit analysis</u>		
	Benefit-cost ratio (B.C.R.) =	1.03
	Net present worth (N.P.W.) in lacks =	121.96
	Pay-back period (P.B.P.) in years =	3.34
	Internal rate of return (I.R.R.) =	38.18%
	Profitability index (PI) =	1.72
<u>Break-even analysis</u>		
	Break-even point @ installed capacity	34.63%
	Contribution margin (CM)/ Profit-volume (P-V) ratio	9.66%
	Margin of safety ratio	63.14%
<u>Calculation of stressed 'DSCR'</u>		
	With 5% increase in costs	2.32
	With 5% decrease in sells	2.04

SALVAGE VALUE OF ASSETS (After 8 years)

Valuation of fixed assets

		<u>Rs in Lacs</u>
Original cost of assets	=	111.67
Total depreciation for 8 years	=	<u>-79.51</u>
Salvage value of assets	=	32.16

Valuation of inventories

Total of raw materials inventory	=	1.32
Work in process	=	51.06
Finished goods inventory	=	<u>0.00</u>
Total inventory stock	=	52.38

Valuation of total assets

Valuation of fixed assets	=	32.16
Valuation of inventory stock	=	<u>52.38</u>
Valuation of total assets	=	84.54

CERTIFICATE

- 1 This project has been prepared for Dr. Santosh Kumar Lenka of Village - Bajrakota, G.P. - Bajrakota under Block - Ranapur.
- 2 The prices and costs assumed are as per the prevailing market prices of the corresponding articles.
- 3 The project is technically feasible and economically viable under proper care and management by the entrepreneur.

Signature of the beneficiary

Signature of the technical officer