

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE 1

ASSUMPTIONS FOR PROFITABILITY WORKINGS

Assumptions considered under the financial analysis are:

1. The production unit is assumed to work for 8 hours a day for 300 days per annum.
2. The wages for unskilled workers are taken as per prevailing rates in this type of industry.
3. Interest rate for term loan is 7% per annum.
4. Costs of machinery and equipment are based on average prices of machinery manufactured in India.
5. Power cost is calculated at Rs. 1.5 per unit for industrial purposes and the cost of water is considered as Rs. 2.95 per cubic meter.
6. Repair and maintenance cost of machines and utilities are taken under as miscellaneous.
7. None of the ETP chemical and lab procedure are required in processing and packaging the product, therefore the cost is nil
8. No consumable goods are considered in the project.
9. All the amounts are in ₹.

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ANNEXURE 2

PLANT ECONOMICS

Rated plant Capacity	Garments unit production per day	
Shirts Total production per annum	90,000	Units / day
Jeans Total production per annum	60,000	Units / month
Trousers Total production per annum	60,000	Units / annum
Basis		
No. of working days	25	Units / months
	300	Units / annum
No of shifts	1	shifts per day
One shift	8	hours
Total working hours per days	24	hours per day

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ANNEXURE 3

PLANT AND MACHINERY

(Amount in Lacs)

Descriptions	Qty.	Rate	Amount
Automatic Rib Cutting Machine	2 No.	0.6	1.2
Interlining & Fusing Machine	1 No.	1.8	1.8
Stitching/Sewing Machine	8 No.	0.65	5.2
Automatic Pocket Setter Machine	2 No.	0.75	1.5
Button Hole Machine	2 No.	0.95	1.9
Button Attaching Machine	2 No.	0.4	0.8
Embroidery Logo Stitching Machine	2 No.	0.5	1
Thread Trimming Machine	1 No.	0.85	0.85
Thread Sucking Machine	1 No.	0.5	0.5
Steam Iron Press Machine	2 No.	0.13	0.26
Vacuum Ironing Table	2 No.	0.4	0.8
5 Thread Overlock Machine	2 No.	0.45	0.9
3 Thread Serging Machine	2 No.	0.4	0.8
Other Misc. Machinery, Equipment & Tools	L.S.		0.69
Total			18.2
Freight Charges, Erection & Commissioning, Packing, Forwarding, Transit Insurance etc.(@5.00%)			0.9
Grand Total			19.1

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ANNEXURE 4

PRELIMINARY EXPENSES

PARTICULARS	Amount
Preliminary Expenses:	
Company Formation Expenses	0.50
Pre-Operative Expenses:	
Project Consultancy Fee (Including Fees payable for preparation of Cost Estimates & Site Plan by Chartered Engineers etc.)	0.50
Upfront Fee for Term Loan (@0.5% of loan amount)	0.30
Interest on Term Loan during Construction Period	0.90
Mortgage Charges	0.20
Travelling & Conveyance	0.60
Personnel Training & Recruitment Expenses	0.60
Opening Ceremony Expenses	0.60
Rent, Rates, Taxes & Insurance	0.75
Legal Expenses (Including Auditors' Remuneration)	0.60
Salary & Wages during Construction Period	1.00
Trial Run Expenses	0.25
Other Miscellaneous Expenses	0.18
Estimated Investment in Prel. & Pre-Operative Expenses	6.98

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ANNEXURE 5

TOTAL FIXED ASSET

(Amount in Lacs)

Repairs & Maintenance	30%	0.49	0.51	0.54	0.57	0.6	0.63	0.66
Power & Fuel	-50%	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Production Wages & Salary	60%	25.1	26.4	27.7	29.1	30.6	32.1	33.7
Administrative Salary & Bonus	-100%	16.3	17.1	18	18.9	19.8	20.8	21.8
Other Adm., Selling & Distribution Expenses	100%	7.2	7.4	7.6	7.8	8	8.2	8.4
Interest on Term Loan		7.2	6.72	5.84	4.78	3.5	2.17	0.83
Depreciation & Prel. & Pre-Opt. Expenses W/Off		10.7	9.4	8.3	7.5	6.7	4.6	4.1
Total Annual Fixed ASSET		67.62	68.16	68.61	69.28	69.83	69.13	70.12

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ANNEXURE 6

OVERHEADS REQUIRED PER MONTH

(Amount in Lacs)

Items/Particulars	Estimated cost Year 1
Adm. Salary & Bonus	27.20
Other Adm., Selling & Distribution Expenses	27.80
Preliminary & Pre-Operative Expenses W/Off	1.40

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ANNEXURE 7

MARKETING AND SELLING EXPENSES

Particulars	Estimate per month	Estimate Year 1
Advertisement		
Television	3,000	36,000
Newspapers	3,000	36,000
Social Media		
Facebook	-	-
Instagram	-	-
Transportation expenses	6,000	72,000
Total	12,000	144,000

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ANNEXURE 1

COST OF THE PROJECT AND MEANS OF FINANCE

(Amount in Lacs)

Head of Expenditure	Amount	Amount
Factory Land (2 acres)		Leasehold
Factory Shed & Other Civil Works (672 sqm.)		
Factory Shed & Godown (24 m X 18 m =432 sqm. @Nu 6,200/- per m) (Including Toilet & Office Block)	26.8	
2-storied Staff & Labour Quarters (240 sqm. @Nu 6,500/- per sq m.)	15.6	
Boundary Fencing (L. S.)	2	44.4
Plant & Machinery	3	19.1
Electrical Installations (Inclg. 25 HP DG Set)	1	4
Furniture & Fixtures (L. S.)	1	2
Other Machinery & Equipment:		
Fire Fighting Equipment Utility Van (1 No.) Computer Equipment Other Office Equipment		6
Preliminary & Pre-Operative Expenses		7
Margin Money for Working Capital		22.4
Total Cost of the Project		104.9
Working Capital less Margin		67
Total Capital Outlay		171.9

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ANNEXURE 1

COST OF THE PROJECT AND MEANS OF FINANCE

(Amount in Lacs)

Raw Materials Consumed (Including Packing Materials)	275.2	321	366.9	389.8	412.7	412.7	412.7
Power & Fuel	2.25	2.52	2.79	2.79	2.79	2.79	2.79
Production Wages & Salary	50.2	55.7	61.2	64.7	68.3	69.8	71.4
Repairs & Maintenance	1.64	1.89	2.16	2.33	2.51	2.59	2.67
Miscellaneous Manufacturing Expenses	1.2	1.4	1.6	1.7	1.8	1.8	1.8
Depreciation	9.3	8	6.9	6.1	5.3	4.6	4.1
Total Cost of Production	339.8	390.5	441.6	467.4	493.4	494.3	495.5
Add : Opening Stock-in-Process	-	2.8	3.3	3.7	3.9	4.1	4.1
	339.79	393.31	444.85	471.12	497.3	498.38	499.56
Less : Closing Stock-in-Process	2.8	3.3	3.7	3.9	4.1	4.1	4.1
	336.99	390.01	441.15	467.22	493.2	494.28	495.46
Add: Opening Stock of Finished Goods	-	6.4	7.6	8.6	9.1	9.6	9.6
	336.99	396.41	448.75	475.82	502.3	503.88	505.06
Less: Closing Stock of Finished Goods	6.4	7.6	8.6	9.1	9.6	9.6	9.6
Cost of Goods Sold	330.6	388.8	440.2	466.7	492.7	494.3	495.5
Gross Profit	80.91	102.6	121.9	131.5	140.8	140.2	139

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ANNEXURE 1

COST OF THE PROJECT AND MEANS OF FINANCE

SOURCES OF FINANCE

(Amount in Lacs)

	Amount
Promoters' Contributions:	
a> Equity Share Capital (Incl. Securities Premium)	30.00
b> Interest free Unsecured Loans	14.90
Term Loan from Bank	60.00
Working Capital (Cash Credit) Loan from Bank	67.00
Total Sources of Finance	171.90

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ANNEXURE 2

Profitability and Net cash Accruals

Year of Operation	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
Number of shift/s per day	1	1	1	1	1	1	1
Number of working days per annum	300	300	300	300	300	300	300
A. Pants (Trousers)							
Annual Installed Capacity(<i>In Nos.</i>)	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Average Capacity Utilisation	60.0%	70.0%	80.0%	85.0%	90.0%	90.0%	90.0%
Annual Production Quantity in Nos.	36,000	42,000	48,000	51,000	54,000	54,000	54,000
Add : Opening Stock-in-Process	-	300	350	400	425	450	450
Less : Closing Stock-in-Process	36,000	42,300	48,350	51,400	54,425	54,450	54,450
Add:Opening Stock of Finished Goods	300	350	400	425	450	450	450
Less:Closing Stock of Finished Goods	35,700	41,950	47,950	50,975	53,975	54,000	54,000
Annual Sales Quantity in Nos.	-	681	813	930	990	1,048	1,050
Less:Closing Stock of Finished Goods	35,700	42,631	48,763	51,905	54,965	55,048	55,050
Annual Sales Quantity in Nos.	681	813	930	990	1,048	1,050	1,050
Average Selling Price per Pc.	35,019	41,818	47,833	50,915	53,917	53,998	54,000
Annual Sales Turnover (A) in Lacs	350	350	350	350	350	350	350
	122.60	146.40	167.40	178.20	188.70	189.00	189.00

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B. Shirts							
Annual Installed Capacity(<i>In Nos.</i>)	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Average Capacity Utilisation	60.0%	70.0%	80.0%	85.0%	90.0%	90.0%	90.0%
Annual Production Quantity in Nos.	54,000	63,000	72,000	76,500	81,000	81,000	81,000
Add : Opening Stock-in-Process	-	450	525	600	638	675	675
	54,000	63,450	72,525	77,100	81,638	81,675	81,675
Less : Closing Stock-in-Process	450	525	600	638	675	675	675
	53,550	62,925	71,925	76,463	80,963	81,000	81,000
Add:Opening Stock of Finished Goods	-	1,021	1,220	1,395	1,485	1,573	1,575
	53,550	63,946	73,145	77,858	82,448	82,573	82,575
Less:Closing Stock of Finished Goods	1,021	1,220	1,395	1,485	1,573	1,575	1,575
Annual Sales Quantity in Nos.	52,529	62,727	71,750	76,373	80,875	80,998	81,000
Average Selling Price per Pc.	250	250	250	250	250	250	250
Annual Sales Turnover(in lacs) (B)	131.30	156.80	179.40	190.90	202.20	202.50	202.50

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C. Jeans (Pants)							
Annual Installed Capacity(<i>In Nos.</i>)	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Average Capacity Utilisation	60.0%	70.0%	80.0%	85.0%	90.0%	90.0%	90.0%
Annual Production Quantity in Nos.	36,000	42,000	48,000	51,000	54,000	54,000	54,000
Add : Opening Stock-in-Process	-	300	350	400	425	450	450
	36,000	42,300	48,350	51,400	54,425	54,450	54,450
Less : Closing Stock-in-Process	300	350	400	425	450	450	450
	35,700	41,950	47,950	50,975	53,975	54,000	54,000
Add:Opening Stock of Finished Goods	-	681	813	930	990	1,048	1,050
	35,700	42,631	48,763	51,905	54,965	55,048	55,050
Less:Closing Stock of Finished Goods	681	813	930	990	1,048	1,050	1,050
Annual Sales Quantity in Nos.	35,019	41,818	47,833	50,915	53,917	53,998	54,000
Average Selling Price per Pc.	450	450	450	450	450	450	450
Annual Sales Turnover (in lacs) (C)	157.60	188.20	215.20	229.10	242.60	243.00	243.00
Aggregate Sales Turnover (A + B + C)	411.50	491.40	562.00	598.20	633.50	634.50	634.50

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Cost of Production:							
Raw Materials Consumed (Including Packing Materials) Power & Fuel	275.20	321.00	366.90	389.80	412.70	412.70	412.70
Production Wages & Salary	2.25	2.52	2.79	2.79	2.79	2.79	2.79
Repairs & Maintenance	50.20	55.70	61.20	64.70	68.30	69.80	71.40
Miscellaneous Manufacturing Expenses	1.64	1.89	2.16	2.33	2.51	2.59	2.67
Depreciation	1.20	1.40	1.60	1.70	1.80	1.80	1.80
	9.30	8.00	6.90	6.10	5.30	4.60	4.10
Total Cost of Production	339.79	390.51	441.55	467.42	493.40	494.28	495.46
Add : Opening Stock-in-Process	-	2.80	3.30	3.70	3.90	4.10	4.10
	339.79	393.31	444.85	471.12	497.30	498.38	499.56
Less : Closing Stock-in-Process	2.80	3.30	3.70	3.90	4.10	4.10	4.10
	336.99	390.01	441.15	467.22	493.20	494.28	495.46
Add: Opening Stock of Finished Goods	-	6.40	7.60	8.60	9.10	9.60	9.60
	336.99	396.41	448.75	475.82	502.30	503.88	505.06
Less: Closing Stock of Finished Goods	6.40	7.60	8.60	9.10	9.60	9.60	9.60
Cost of Goods Sold	330.59	388.81	440.15	466.72	492.70	494.28	495.46
Gross Profit	80.91	102.59	121.85	131.48	140.80	140.22	139.04

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ANNEXURE 3

ASSESSMENT OF WORKING CAPITAL REQUIREMENTS

(Amount in Lacs)

Items	Holding/Credit Period	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
Raw Materials (Incl. Raw Materials-in-Transit)	2.00 months	45.9	53.5	61.2	65	68.8	68.8	68.8
Work-in-Process Finished Goods	3.00 days	2.8	3.3	3.7	3.9	4.1	4.1	4.1
Book-debts	7.00 days	6.4	7.6	8.6	9.1	9.6	9.6	9.6
	1.00 month	34.3	41	46.8	49.9	52.8	52.9	52.9
Working Capital Requirement(A)		89.4	105.4	120.3	127.9	135.3	135.4	135.4
Margin for Working Capital:								
On Raw Materials	25%	11.5	13.4	15.3	16.3	17.2	17.2	17.2
On Work-in-Process	25%	0.7	0.8	0.9	1	1	1	1
On Finished Goods	25%	1.6	1.9	2.2	2.3	2.4	2.4	2.4
On Book-debts	25%	8.6	10.3	11.7	12.5	13.2	13.2	13.2
Total Margin for Working Capital(B)		22.4	26.4	30.1	32.1	33.8	33.8	33.8
Assessed Bank Finance (A - B)		67	79	90.2	95.8	101.5	101.6	101.6

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

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ANNEXURE-4

PROJECTED BALANCE SHEET

(Amount in Lacs)

Year of Operation	Pre-Optn. Period	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
LIABILITIES:								
Shareholders' Equity :								
Equity Share Capital	14.35	14.35	14.35	14.35	14.35	14.35	14.35	14.35
Securities Premium	15.65	15.65	15.65	15.65	15.65	15.65	15.65	15.65
Account	-	8.27	27.21	55.67	88.91	126.84	165.48	203.34
Profit & Loss Account	30.00	38.27	57.21	85.67	118.91	156.84	195.48	233.34
Secured Loans :								
Term Loan	60.00	58.40	52.00	43.28	33.36	22.24	11.12	0.00
Working Capital Loan	-	67.00	79.00	90.20	95.80	101.50	101.60	101.60
	60.00	125.40	131.00	133.48	129.16	123.74	112.72	101.60
Unsecured Loans(Interest free)	14.90	14.90	14.90	14.90	14.90	14.90	14.90	14.90
Total Liabilities	104.90	178.57	203.11	234.05	262.97	295.48	323.10	349.84
ASSETS:								
Fixed Assets :								
Gross Block	75.50	75.50	75.50	75.50	75.50	75.50	75.50	75.50

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Less : Accumulated Depreciation	-	9.30	17.30	24.20	30.30	35.60	40.20	44.30
Net Block	75.50	66.20	58.20	51.30	45.20	39.90	35.30	31.20
Current Assets, Loans & Advances:								
Inventories:								
Raw Materials (Including Packing Materials)	-	45.90	53.50	61.20	65.00	68.80	68.80	68.80
Work-in-Process	-	2.80	3.30	3.70	3.90	4.10	4.10	4.10
Finished Goods	-	6.40	7.60	8.60	9.10	9.60	9.60	9.60
	-	55.10	64.40	73.50	78.00	82.50	82.50	82.50
Book-Debts	22.40	34.30	41.00	46.80	49.90	52.80	52.90	52.90
Cash & Bank Balances		17.37	35.31	59.65	88.47	120.28	152.40	183.24
	22.40	106.77	140.71	179.95	216.37	255.58	287.80	318.64
Miscellaneous Expenditure: (To the extent not written off or adjusted)								
Preliminary & Pre-Operative Expenses	7.00	5.60	4.20	2.80	1.40	-	-	-
Total Assets	104.90	178.57	203.11	234.05	262.97	295.48	323.10	349.84

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

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ANNEXURE 5

PROFITABILITY RATIOS

(Amount in Lacs)

Year of Operation	Year - 0	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
Total Sales Turnover	-	411.50	491.40	562.00	598.20	633.50	634.50	634.50
Projected Growth in Sales Turnover	-	-	0.19	0.14	0.06	0.06	0.00	-
Gross Profit	-	80.91	102.59	121.85	131.48	140.80	140.22	139.04
Gross Profit Ratio	-	0.20	0.21	0.22	0.22	0.22	0.22	0.22
Net Profit before Tax (PBT)	-	11.03	25.26	37.95	44.32	50.58	51.52	50.48
Net Profit Ratio	-	0.03	0.05	0.07	0.07	0.08	0.08	0.08
Cash Profit	-	21.73	34.66	46.25	51.82	57.28	56.12	54.58
Net Worth (Including Unsecured Loans)	44.90	53.17	72.11	100.57	133.81	171.74	210.38	248.24
Return on Net Worth	-	0.21	0.35	0.38	0.33	0.29	0.24	0.20
Capital Employed	104.90	178.57	203.11	234.05	262.97	295.48	323.10	349.84
Return on Capital Employed	-	0.14	0.19	0.22	0.22	0.22	0.20	0.17
Gross DSCR	-	2.97	2.67	2.93	3.10	3.29	3.42	3.58
Net DSCR	-	11.86	4.43	4.22	4.11	4.01	3.89	3.77

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ANNEXURE-5

PROFITABILITY RATIOS

Internal Rate of Return (IRR)	0.31								
Total Debts (Long Term)	60.00	58.40	52.00	43.28	33.36	22.24	11.12	0.00	
Total Equity (Including Interest Free Unsecured Loans)	44.90	53.17	72.11	100.57	133.81	171.74	210.38	248.24	
Debt-Equity Ratio	1.34	1.10	0.72	0.43	0.25	0.13	0.05	0.00	

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ANNEXURE-6

PROFITABILITY RATIOS

Year of Operation	Year - 0	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
Total Current Assets	22.40	106.77	140.71	179.95	216.37	255.58	287.80	318.64
Total Current Liabilities (Incl. TL Installments due within 1 yr.	1.60	73.40	87.72	100.12	106.92	112.62	112.72	101.60
Current Ratio	14.00	1.45	1.60	1.80	2.02	2.27	2.55	3.14
Total Fixed Assets (W.D.V.)	75.50	66.20	58.20	51.30	45.20	39.90	35.30	31.20
Fixed Assets Turnover Ratio	-	6.22	8.44	10.96	13.23	15.88	17.97	20.34
Profit before Depreciation, Interest & Tax	-	33.81	47.39	59.15	64.18	68.90	67.82	64.94
Interest	-	13.48	14.13	14.30	13.76	13.02	11.70	10.36
Interest Coverage Ratio	-	2.51	3.35	4.14	4.66	5.29	5.80	6.27
Total Tangible Net Worth	23.00	32.67	53.01	82.87	117.51	156.84	195.48	233.34
Total Outside Liabilities	74.90	140.30	145.90	148.38	144.06	138.64	127.62	116.50
TOL/TNW	3.26	4.29	2.75	1.79	1.23	0.88	0.65	0.50
Break-Even-Point (In Value)	-	361.70	359.77	362.75	365.24	367.79	363.56	368.91
Break-Even Ratio(% of Installed Capacity)	-	51.59%	51.07%	51.51%	51.84%	52.19%	51.57%	52.33%
Cash Break-Even-Point(In Value)	-	304.47	310.15	318.87	325.70	332.51	339.36	347.34
Cash Break-Even Ratio	-	43.42%	44.03%	45.28%	46.23%	47.19%	48.14%	49.27%
Net Sales	-	411.50	491.40	562.00	598.20	633.50	634.50	634.50

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Total Tangible Assets	97.90	172.97	198.91	231.25	261.57	295.48	323.10	349.84
Net Sales/Total Tangible Assets	N. A.	2.38	2.47	2.43	2.29	2.14	1.96	1.81
PBT/Total Tangible Assets	N. A.	6.38%	12.70%	16.41%	16.94%	17.12%	15.95%	14.43%
Operating Cost to Sales	N. A.	94.04%	91.98%	90.70%	90.29%	89.96%	90.04%	90.41%

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-7

BREAKEVEN ANALYSIS

(Amount in Lacs)

Year of Operation	Proportion	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
Average Capacity Utilization		60%	70%	80%	85%	90%	90%	90%
Total Sales Turnover		411.5	491.4	562	598.2	633.5	634.5	634.5
Add: Closing Stock of Finished Goods & W-I-P		9.71	11.35	12.84	13.61	14.37	14.41	14.44
Less: Opening Stock of Finished Goods & W-I-P		-	9.71	11.35	12.84	13.61	14.37	14.41
Adjusted Sales Turnover		421.2	493	563.5	599	634.3	634.5	634.5
Pre-tax Profit		-5.02	6.02	16.35	21.3	26.26	27.11	25.99
VARIABLE COST:								
Raw Materials Consumed (Inclg. Packing Materials)	100%	289	337.1	385.2	409.3	433.3	433.3	433.3
Power & Fuel	-70%	1.7	1.98	2.27	2.27	2.27	2.27	2.27
Repairs & Maintenance	50%	1.21	1.45	1.7	1.85	2.01	2.06	2.11
Production Wages & Salary	40%	26.36	30.77	35.18	37.38	39.59	39.59	39.59
Administrative Salary & Bonus	100%	10.9	12.7	14.5	15.4	16.3	16.3	16.3
Miscellaneous Mfg. Expenses	-100%	1.26	1.47	1.68	1.79	1.89	1.89	1.89
Administrative, Selling & Distribution Expenses		20.6	24.6	28.1	29.9	31.7	31.7	31.7
Interest on Working Capital Loan		6.28	7.41	8.46	8.98	9.52	9.53	9.53
Total Annual Variable Cost		357.3	417.5	477.1	506.9	536.6	536.6	536.7

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-7

BREAKEVEN ANALYSIS

(5% Increase in Selling Price with 10% Increase in all Manufacturing Exp.)

Year of Operation	Proportion	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
Average Capacity Utilization		60%	70%	80%	85%	90%	90%	90%
Total Sales Turnover		432.10	516.00	590.10	628.10	665.20	666.20	666.20
Add: Closing Stock of Finished Goods & W-I-P		10.16	11.88	13.44	14.25	15.05	15.09	15.13
Less: Opening Stock of Finished Goods & W-I-P		-	10.16	11.88	13.44	14.25	15.05	15.09
Adjusted Sales Turnover		442.26	517.72	591.67	628.91	666.00	666.24	666.24
Pre-tax Profit		(1.46)	10.43	21.35	26.70	31.97	32.69	31.48
VARIABLE COST:								
Raw Materials Consumed (Inclg. Packing Materials)	100%	302.72	353.10	403.59	428.78	453.97	453.97	453.97
Power & Fuel	-	1.78	2.08	2.38	2.38	2.38	2.38	2.38
Repairs & Maintenance	70%	1.27	1.52	1.78	1.94	2.10	2.16	2.21
Production Wages & Salary	50%	27.61	32.23	36.85	39.16	41.47	41.47	41.47
Administrative Salary & Bonus	40%	10.90	12.70	14.50	15.40	16.30	16.30	16.30
Miscellaneous Mfg. Expenses	100%	1.32	1.54	1.76	1.87	1.98	1.98	1.98
Administrative, Selling & Distribution Expenses	-	21.60	25.80	29.50	31.40	33.30	33.30	33.30
Interest on Working Capital Loan	100%	6.28	7.41	8.46	8.98	9.52	9.53	9.53
Total Annual Variable Cost		373.48	436.38	498.82	529.91	561.02	561.09	561.14

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-8

BREAKEVEN ANALYSIS

(Amount in Lacs)

(5% Increase in Selling Price with 10% Increase in all Manufacturing Exp.)

Year of Operation	Proportion	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
FIXED COST:								
Repairs & Maintenance	30%	0.53	0.56	0.60	0.62	0.66	0.69	0.73
Power & Fuel	-	0.70	0.69	0.69	0.69	0.69	0.69	0.69
Production Wages & Salary	50%	27.61	29.04	30.47	32.01	33.66	35.31	37.07
Administrative Salary & Bonus	60%	16.30	17.10	18.00	18.90	19.80	20.80	21.80
Other Adm., Selling & Distribution Expenses	-	7.20	7.40	7.60	7.80	8.00	8.20	8.40
Interest on Term Loan	100%	7.20	6.72	5.84	4.78	3.50	2.17	0.83
Depreciation & Prel. & Pre-Opt. Expenses W/Off	100%	10.70	9.40	8.30	7.50	6.70	4.60	4.10
Total Annual Fixed Cost		70.24	70.91	71.50	72.30	73.01	72.46	73.62
Contribution		68.78	81.34	92.85	99.00	104.98	105.15	105.10
Cash Contribution		79.48	90.74	101.15	106.50	111.68	109.75	109.20
Break-Even-Point(<i>In Values</i>)		451.65	451.35	455.64	459.31	463.19	459.10	466.69
Break-Even-Ratio		61.3%	61.0%	61.6%	62.1%	62.6%	62.0%	63.0%
Cash Break-Even-Point(<i>In Values</i>)		382.85	391.51	402.75	411.66	420.69	429.96	440.70
Cash Break-Even Ratio		51.9%	52.9%	54.5%	55.6%	56.8%	58.1%	59.5%

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

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Profit Volume Ratio (P/V Raio)		15.6%	15.7%	15.7%	15.7%	15.8%	15.8%	15.8%
Cash P/V Ratio		18.0%	17.5%	17.1%	16.9%	16.8%	16.5%	16.4%
Margin of Safety(Mos)		(9.39)	66.37	136.03	169.60	202.81	207.14	199.55
Cash Margin of Safety(Cash Mos)		59.41	126.20	188.92	217.25	245.31	236.29	225.53
Bep Sales to Total Sales Ratio		102.1%	87.2%	77.0%	73.0%	69.5%	68.9%	70.0%
Cash Bep Sales Total Sales Ratio		86.6%	75.6%	68.1%	65.5%	63.2%	64.5%	66.1%
Mos to Total Sales Ratio		-2.1%	12.8%	23.0%	27.0%	30.5%	31.1%	30.0%
Cash Mos to Total Sales Ratio		13.4%	24.4%	31.9%	34.5%	36.8%	35.5%	33.9%

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE 9- Price Volume

SENSITIVITY ANALYSIS I

(5% Increase in Selling Price with 10% Increase in all Manufacturing Exp.)

(Amount in Lacs)

Year of Operation	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
Number of shift/s per day	1	1	1	1	1	1	1
Number of working days per annum	300	300	300	300	300	300	300
Average Capacity Utilisation	60%	70%	80%	85%	90%	90%	90%
Net Sales as per Profitability	411.5	491.4	562	598.2	633.5	634.5	634.5
Add: 5% Price Increase	20.6	24.6	28.1	29.9	31.7	31.7	31.7
Net Sales	432.1	516	590.1	628.1	665.2	666.2	666.2
Cost of Production :							
Raw Materials Consumed	302.72	353.1	403.59	428.78	453.97	453.97	453.97
Power & Fuel	2.48	2.77	3.07	3.07	3.07	3.07	3.07
Production Wages & Salary	55.22	61.27	67.32	71.17	75.13	76.78	78.54
Repairs & Maintenance	1.8	2.08	2.38	2.56	2.76	2.85	2.94
Miscellaneous Manufacturing Expenses	1.32	1.54	1.76	1.87	1.98	1.98	1.98
Depreciation	9.3	8	6.9	6.1	5.3	4.6	4.1
Total Cost	372.84	428.76	485.02	513.55	542.21	543.25	544.6
Add : Opening Stock-in-Process	-	3.11	3.57	4.04	4.28	4.52	4.53
	372.84	431.87	488.59	517.59	546.49	547.77	549.13
Less : Closing Stock-in-Process	3.11	3.57	4.04	4.28	4.52	4.53	4.54
	369.73	428.29	484.55	513.31	541.97	543.24	544.59
Add: Opening Stock of Finished Goods	-	7.05	8.3	9.4	9.97	10.53	10.56
	369.73	435.35	492.85	522.71	551.94	553.77	555.15
Less: Closing Stock of Finished Goods	7.05	8.3	9.4	9.97	10.53	10.56	10.59

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE 9- Price Volume

SENSITIVITY ANALYSIS I

(Amount in Lacs)

Cost of Goods Sold	362.68	427.04	483.45	512.74	541.41	543.21	544.56
Gross Profit	69.42	88.96	106.65	115.36	123.79	122.99	121.64
Administrative & Selling Expenses:							
Adm. Salary & Bonus	27.2	29.8	32.5	34.3	36.1	37.1	38.1
Other Adm., Selling & Distribution Expenses	28.8	33.2	37.1	39.2	41.3	41.5	41.7
Preliminary & Pre-Operative Expenses W/Off	1.4	1.4	1.4	1.4	1.4	-	-
Total	57.4	64.4	71	74.9	78.8	78.6	79.8

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE 9

SENSITIVITY ANALYSIS - 1

Operating Profit before Interest & Tax but after	12.02	24.56	35.65	40.46	44.99	44.39	41.84
Depreciation							
Interest on :							
Term Loan	7.20	6.72	5.84	4.78	3.50	2.17	0.83
Working Capital Loan	6.28	7.41	8.46	8.98	9.52	9.53	9.53
Total Interest	13.48	14.13	14.30	13.76	13.02	11.70	10.36
Net Profit/(Loss) before Tax	(1.46)	10.43	21.35	26.70	31.97	32.69	31.48
Provision for Income Tax		2.61	5.34	6.67	7.99	8.17	7.87
Post-tax Profit/(Loss)	(1.46)	7.82	16.01	20.03	23.98	24.52	23.61
Net Cash Accruals	9.24	17.22	24.31	27.53	30.68	29.12	27.71
Add : Interest on Term Loan	7.20	6.72	5.84	4.78	3.50	2.17	0.83
Gross Cash Accruals	16.44	23.94	30.15	32.31	34.18	31.29	28.54
Net Repayment Obligations	1.60	6.40	8.72	9.92	11.12	11.12	11.12
Add : Interest on Term Loan	7.20	6.72	5.84	4.78	3.50	2.17	0.83
Gross Repayment Obligations	8.80	13.12	14.56	14.70	14.62	13.29	11.95
Net Debt Service Coverage Ratio(Net DSCR)	5.77	2.69	2.79	2.77	2.76	2.62	2.49
Gross Debt Service Coverage Ratio(Gross DSCR)	1.87	1.82	2.07	2.20	2.34	2.35	2.39
Average Net DSCR	2.83						
Average Gross DSCR	2.13						
Net Profit(Pre-tax) to Sales Ratio	-0.34%	2.02%	3.62%	4.25%	4.81%	4.91%	4.72%
Net Profit(Post-tax) to Sales Ratio	-0.34%	1.52%	2.71%	3.19%	3.60%	3.68%	3.54%
Gross Profit to Sales Ratio	16.07%	17.24%	18.07%	18.37%	18.61%	18.46%	18.26%

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

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Average Pre-tax Profit to Sales Ratio	3.68%						
Average Post-tax Profit to Sales Ratio	2.75%						
Average Gross Profit to Sales Ratio	17.98%						
ASSESSMENT OF INCOME TAX							
Book Profit as per Profitability Statement		10.43	21.35	26.70	31.97	32.69	31.48
Less : Set off of Unabsorbed Depreciation	(1.46)	1.46					
Taxable Profit/Loss	(1.46)	8.97	21.35	26.70	31.97	32.69	31.48
Income Tax(@25%)	-	2.24	5.34	6.67	7.99	8.17	7.87
Notes:							
Unabsorbed Depreciation/Business Loss b/f	-	1.46	-	-	-	-	-
Add: Unabsorbed Depreciation/Business Loss During the year	1.46	-	-	-	-	-	-
Less: Set off of Unabsorbed Depre./Business Loss during the year	1.46	1.46	-	-	-	-	-
	-	1.46	-	-	-	-	-
Unabsorbed Depreciation/Business Loss c/f	1.46	-	-	-	-	-	-

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE 10

SENSITIVITY ANALYSIS – 2

(5% fall in Selling Prices)

(Amount in Lacs)

Year of Operation	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
Number of shift/s per day	1	1	1	1	1	1	1
Number of working days per annum	300	300	300	300	300	300	300
Average Capacity Utilisation	60%	70%	80%	85%	90%	90%	90%
Net Sales as per Profitability	411.50	491.40	562.00	598.20	633.50	634.50	634.50
Less : Price Decrease @5%	20.60	24.60	28.10	29.90	31.70	31.70	31.70
Net Sales	390.90	466.80	533.90	568.30	601.80	602.80	602.80
<u>Cost of Production :</u>							
Raw Materials Consumed	275.20	321.00	366.90	389.80	412.70	412.70	412.70
Power & Fuel	2.25	2.52	2.79	2.79	2.79	2.79	2.79
Production Wages & Salary	50.20	55.70	61.20	64.70	68.30	69.80	71.40
Repairs & Maintenance	1.64	1.89	2.16	2.33	2.51	2.59	2.67
Miscellaneous Manufacturing Expenses	1.20	1.40	1.60	1.70	1.80	1.80	1.80
Depreciation	9.30	8.00	6.90	6.10	5.30	4.60	4.10
Total Cost	339.79	390.51	441.55	467.42	493.40	494.28	495.46
Add : Opening Stock-in-Process	-	2.83	3.25	3.68	3.90	4.11	4.12

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

	339.79	393.34	444.80	471.10	497.30	498.39	499.58
Less : Closing Stock-in-Process	2.83	3.25	3.68	3.90	4.11	4.12	4.13
Add: Opening Stock of Finished Goods	336.96	390.09	441.12	467.20	493.18	494.27	495.45
	-	6.43	7.56	8.56	9.07	9.58	9.61
Less: Closing Stock of Finished Goods	336.96	396.51	448.69	475.76	502.26	503.85	505.06
	6.43	7.56	8.56	9.07	9.58	9.61	9.63
Cost of Goods Sold	330.53	388.95	440.13	466.69	492.68	494.24	495.43
Gross Profit	60.37	77.85	93.77	101.61	109.12	108.56	107.37
Administrative, Selling & Distribution Expenses:							
Adm. Salary & Bonus	27.20	29.80	32.50	34.30	36.10	37.10	38.10
Other Adm., Selling & Distribution Expenses	26.70	30.70	34.30	36.20	38.10	38.30	38.50
Preliminary & Pre-Operative Expenses W/Off	1.40	1.40	1.40	1.40	1.40	-	-
Total	55.30	61.90	68.20	71.90	75.60	75.40	76.60

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE 10

SENSITIVITY ANALYSIS – 2

(5% fall in Selling Prices)

Operating Profit before Interest & Tax but after Depreciation	5.07	15.95	25.57	29.71	33.52	33.16	30.77
Interest on :							
Term Loan	7.20	6.72	5.84	4.78	3.50	2.17	0.83
Working Capital Loan	6.28	7.41	8.46	8.98	9.52	9.53	9.53
Total Interest	13.48	14.13	14.30	13.76	13.02	11.70	10.36
Net Profit/(Loss) before Tax	(8.41)	1.82	11.27	15.95	20.50	21.46	20.41
Provision for Income Tax	-	-	1.17	3.99	5.13	5.36	5.10
Post-tax Profit/(Loss)	(8.41)	1.82	10.10	11.96	15.38	16.09	15.31
Net Cash Accruals	2.29	11.22	18.40	19.46	22.08	20.69	19.41
Gross Cash Accruals	9.49	17.94	24.24	24.24	25.58	22.86	20.24
Net Repayment Obligations	1.60	6.40	8.72	9.92	11.12	11.12	11.12
Add : Interest on Term Loan	7.20	6.72	5.84	4.78	3.50	2.17	0.83
Gross Repayment Obligations	8.80	13.12	14.56	14.70	14.62	13.29	11.95
Net Debt Service Coverage Ratio(Net DSCR)	1.43	1.75	2.11	1.96	1.99	1.86	1.75
Gross Debt Service Coverage Ratio(Gross DSCR)	1.08	1.37	1.66	1.65	1.75	1.72	1.69
Average Net DSCR	1.93						

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

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Average Gross DSCR	1.57						
Net Profit(Pre-tax) to Sales Ratio	-2.15%	0.39%	2.11%	2.81%	3.41%	3.56%	3.39%
Net Profit(Post-tax) to Sales Ratio	-2.15%	0.39%	1.89%	2.11%	2.56%	2.67%	2.54%
Gross Profit to Sales Ratio	15.44%	16.68%	17.56%	17.88%	18.13%	18.01%	17.81%
Average Pre-tax Profit to Sales Ratio	2.20%						
Average Post-tax Profit to Sales Ratio	1.65%						
Average Gross Profit to Sales Ratio	17.48%						

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-11 to 14

UNIT AND TOTAL RAW MATERIAL & PACKING MATERIAL COST

(Amount in Lacs)

Raw Materials required for Trousers

Annual Installed Capacity		60,000 Nos.		
Raw Materials required	Per Trouser	Total Qty. required	Rate	Amount
Cloths	1.10 metres	66,000	185.00	122.10
Bokrom, Threads, Chains, Buttons etc.	18			10.80
Packing Materials (Cartoon Boxes, Paper Trays, Polybags, Ribs, Zipper etc)	4			2.40
Total				135.30

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-11 to 14

UNIT AND TOTAL RAW MATERIAL & PACKING MATERIAL COST

(Amount in Lacs)

Raw Materials required for Shirts

Annual Installed Capacity		90,000 Nos.		
Raw Materials required	Per Shirt	Total Qty. required	Rate	Amount
Cloths	2.10m	189,000	75.00	141.75
Bokrom, Threads, Chains, Buttons etc.	12			10.80
Packing Materials (Cartoon Boxes, Paper Trays, Polybags, Ribs, Zipper etc)	3			2.70
Total				155.25

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-11 to 14

UNIT AND TOTAL RAW MATERIAL & PACKING MATERIAL COST

(Amount in Lacs)

Raw Materials required for making Jeans

Annual Installed Capacity		60,000 Nos.		
Raw Materials required	Per Jean/Pant	Total Qty. required	Average Rate	Amount
Cotton Zeans Cloths	1.10 metres	66,000 per Pant	230.00	151.80
Threads, Chains, Buttons, Logo etc.	22		13.20	
Packing Materials (Cartoon Boxes, Paper Trays,	5		3.00	
Polybags, Ribs, Zipper etc)				
Total				168.00
Grand Total (A + B + C)				458.60

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-11 to 14

TOTAL RAW MATERIAL COST & PACKING MATERIAL COST

(Amount in Lacs)

Year wise Annual Raw Material Cost at different capacity utilization:		
Year of Operation	Capacity Utilization	Cost of Raw Materials
Year - 1	60%	275.20
Year - 2	70%	321.00
Year - 3	80%	366.90
Year - 4	85%	389.80
Year - 5 & onwards	90%	412.70

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE 15

EMPLOYEE EXPENSES

Year of Operation	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7
Capacity Utilization	65%	75%	80%	85%	90%	90%	90%
Fixed Production Wages & Salary (A)	25.10	26.40	27.70	29.10	30.60	32.10	33.70
Variable Production Wages & Salary (B)	25.10	29.30	33.50	35.60	37.70	37.70	37.70
Total (A+B)	50.20	55.70	61.20	64.70	68.30	69.80	71.40
Fixed Adm. Salary & Wages (C.)	16.30	17.10	18.00	18.90	19.80	20.80	21.80
Variable Adm. Salary & Wages (D)	10.90	12.70	14.50	15.40	16.30	16.30	16.30
Total (C+D)	27.20	29.80	32.50	34.30	36.10	37.10	38.10
Total Payments to Workers & Employees	77.40	85.50	93.70	99.00	104.40	106.90	109.50

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-16

FUEL EXPENSES

(Amount in Lacs)

Year of Operation	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7
Capacity Utilization	65%	75%	80%	85%	90%	90%	90%
Fixed Cost of Power & Fuel	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Variable Cost of Power & Fuel	1.62	1.89	2.16	2.16	2.16	2.16	2.16
Total Cost of Power & Fuel	2.25	2.52	2.79	2.79	2.79	2.79	2.79

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-17

POWER/ELECTRICITY EXPENSES

Computation of Fixed Power & Fuel Cost:	
Power to be consumed for Lighting Purposes	2 KVA
Daily Consumption per day of 10 hours	20.00 Unit
Total Monthly Consumption	500 Unit
Annual Consumption	6,000 Unit
Average Tariff Rate per Unit (Including Cost of HSD for DG Set)	4.5
Fixed Cost of Power & Fuel Nu 27,000	
Add : Meter Rent(@Nu3,000/- per month)	36,000
Total Annual Fixed Power Cost	63,000
Computation of Variable Power & Fuel Cost:	
Average Power Load Requirement	25 KVA
Expected time, the Unit will remain in operation in a day	8 Hours
Per hour consumption of electricity	25 Units
Per day consumption of electricity	200 Units
Monthly consumption of electricity	5,000 Units
Annual consumption of electricity	60,000 Units
Estimated Current Price per Unit of electricity for industrial use (Inclg. cost of Fuel for DG Set)	4.5
Cost of Annual Consumption of Electricity at full capacity utilization	270,000

Note: (Based on 25 working days)

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-17

POWER/ELECTRICITY EXPENSES

Year of Operation	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
Average Capacity Utilization	60.0%	70.0%	80.0%	85.0%	90.0%	90.0%	90.0%
Fixed Power Cost Variable	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Power Cost	1.62	1.89	2.16	2.16	2.16	2.16	2.16
Annual Cost of Power & Utilities	2.25	2.52	2.79	2.79	2.79	2.79	2.79

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-18

REPAIRS AND MAINTENANCE EXPENSES

(Amount in Lacs)

Heads	Estimated Cost	Rate of Depreciation	Amount
Repairs & Maintenance Cost on Civil Construction	44.40	1.5%	0.67
Repairs & Maintenance Cost on Plant & Machinery (Inclg. <i>Electrical Installations</i>)	23.10	2.5%	0.57
Repairs & Maintenance Cost on Furniture & Fixtures	2.00	5.0%	0.10
Repairs & Maintenance Cost on Other Machinery & Equipment	6.00	5.0%	0.30
Total Cost	76.50		1.64

30% of expenditure under this head is presumed to be in the nature of fixed overhead, which is envisaged to be increased @2.5% per annum in 2nd & subsequent years of operation at compound rate, irrespective of level of operation and the balance 70% will vary in direction proportion of level of operation with 2.5% increase in rate in 2nd & subsequent years of operation.

Year-wise detailed break-up of Repairs & Maintenance Cost is given as under:

Year of Operation	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7
Capacity Utilization	65%	75%	80%	85%	90%	90%	90%
Fixed Cost	0.49	0.51	0.54	0.57	0.60	0.63	0.66
Variable Cost	1.15	1.38	1.62	1.76	1.91	1.96	2.01
Total Cost	1.64	1.89	2.16	2.33	2.51	2.59	2.67

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-19

ADMINISTRATIVE EXPENSES

(Amount in Lacs)

Salary & Bonus	27.20	29.80	32.50	34.30	36.10	37.10	38.10
Other Adm., Selling & Distribution Expenses	27.80	32.00	35.70	37.70	39.70	39.90	40.10
Preliminary & Pre-Operative Expenses W/Off	1.40	1.40	1.40	1.40	1.40	-	-
Total	56.40	63.20	69.60	73.40	77.20	77.00	78.20
Operating Profit before Interest & Tax but after Depreciation	24.51	39.39	52.25	58.08	63.60	63.22	60.84

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-20

SELLING AND DISTRIBUTION EXPENSES

(Amount in Lacs)

Year of Operation	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7
Capacity Utilization	65%	75%	80%	85%	90%	90%	90%
Fixed Cost	7.20	7.40	7.60	7.80	8.00	8.20	8.40
Variable Cost	20.60	24.60	28.10	29.90	31.70	31.70	31.70
Total Cost	27.80	32.00	35.70	37.70	39.70	39.90	40.10

Note: Fixed Administrative & Sales Overheads are estimated @Nu 0.60 lac per month and presumed to increase @2.5% annually at compound rate during the 2nd and subsequent years of operation. Variable Administrative, Selling & Distribution overheads are estimated @5.0% of Sales Value.

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-21

CASH FLOW STATEMENT

INFLOW OF CASH

(Amount in Lacs)

Year of Operation	Pre-Optn. Period	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
Profit before Interest & Tax but after Depreciation	-	24.51	39.39	52.25	58.08	63.60	63.22	60.84
Issue of Equity Shares at premium	30.00	-	-	-	-	-	-	-
Borrowing of Term Loan from Bank	60.00	-	-	-	-	-	-	-
Borrowing of Interest free Unsecured Loans	14.90	-	-	-	-	-	-	-
Increase in Bank Borrowings for Working Capital	-	67.00	12.00	11.20	5.60	5.70	0.10	-
Depreciation & Prel. & Pre-Opt. Expenses W/Off	-	10.70	9.40	8.30	7.50	6.70	4.60	4.10
Total Cash Inflow	104.90	102.21	60.79	71.75	71.18	76.00	67.92	64.94

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-22

CASH FLOW STATEMENT

OUTFLOW OF CASH

(Amount in Lacs)

Acquisition of Fixed Assets	75.50	-	-	-	-	-	-	-
Preliminary & Pre-Operative Expenses	7.00	-	-	-	-	-	-	-
Increase in Security Deposit	-	-	-	-	-	-	-	-
Repayment of Term Loan	-	1.60	6.40	8.72	9.92	11.12	11.12	11.12
Payment of Interest on Term Loan	-	7.20	6.72	5.84	4.78	3.50	2.17	0.83
Payment of Interest on Working Capital Loan	-	6.28	7.41	8.46	8.98	9.52	9.53	9.53
Payment of Income Tax	-	2.76	6.32	9.49	11.08	12.65	12.88	12.62
Increase in Working Capital :								
Inventories	-	55.10	9.30	9.10	4.50	4.50	- 0.10	-
Book-Debts	-	34.30	6.70	5.80	3.10	2.90		-
Total Cash Outflow	82.50	107.24	42.85	47.41	42.36	44.19	35.80	34.10
Opening Cash & Bank Balances	-	22.40	17.37	35.31	59.65	88.47	120.28	152.40
Net Surplus/Deficit(-)	22.40	(5.03)	17.94	24.34	28.82	31.81	32.12	30.84
Closing Cash & Bank Balances	22.40	17.37	35.31	59.65	88.47	120.28	152.40	183.24

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-23

DEPRECIATION CHARGES AS PER BOOKS (TOTAL)

(Amount in Lacs)

Name of Fixed Assets	Factory Land	Factory Shed & Other Civil Works	Plant & Machinery	Electrical Installations	Other Mach. & Equipment	Computer Equipment	Furniture & Fixtures	Total
Rate of Depreciation (W.D.V. Method)	0%	10%	15.00%	15.00%	15.00%	40.00%	10.00%	-
Estimated Cost of Fixed Assets	-	44.4	19.1	4	5	1	2	75.5
Depreciation for the first year	-	4.44	2.87	0.6	0.75	0.4	0.2	9.3
	-	39.96	16.23	3.4	4.25	0.6	1.8	66.2
Depreciation for the second year	-	4	2.43	0.51	0.64	0.24	0.18	8
	-	35.96	13.8	2.89	3.61	0.36	1.62	58.2
Depreciation for the third year	-	3.6	2.07	0.43	0.54	0.14	0.16	6.9
	-	32.36	11.73	2.46	3.07	0.22	1.46	51.3
Depreciation for the fourth year	-	3.24	1.76	0.37	0.46	0.09	0.15	6.1
	-	29.12	9.97	2.09	2.61	0.13	1.31	45.2
Depreciation for the fifth year	-	2.91	1.5	0.31	0.39	0.05	0.13	5.3
	-	26.21	8.47	1.78	2.22	0.08	1.18	39.9
Depreciation for the sixth year	-	2.62	1.27	0.27	0.33	0.03	0.12	4.6
	-	23.59	7.2	1.51	1.89	0.05	1.06	35.3
Depreciation for the seventh year	-	2.36	1.08	0.23	0.28	0.02	0.11	4.1
	-	21.23	6.12	1.28	1.61	0.03	0.95	31.2

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-24

ASSESSMENT OF TERM LOAN

Items	Estimated Cost	Promoters' Margin		Bank Finance	
		%	Amount	%	Amount
Factory Shed & Other Civil Works	44.4	20%	8.88	80%	35.52
Plant & Machinery	19.1	20%	3.82	80%	15.28
Electrical Installations	4	20%	0.8	80%	3.2
Furniture & Fixtures	2	20%	0.4	80%	1.6
Other Machinery & Equipment	6	20%	1.2	80%	4.8
Prel. & Pre-Operative Expenses	7	100%	7	0%	-
Margin For Working Capital	22.4	100%	22.4	0%	-
Total	104.9		44.5		60.4

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE-25

INTEREST AND REPAYMENTS- TERMS OF THE LOANS

(Amount in Lacs)

Year of Operation	Quarters	Opening Outstanding Bal	Proposed Disbursement	Proposed Repayment	Closing Outstanding Bal	Interest Factor	Interest Payee@ 12.0% p.a.
Con. Per.		-	60	-	60	0.12	0.9
Total		-	60	-	60		0.9
1st year	I	60	-	-	60	0.12	1.8
	II	60	-	-	60	0.12	1.8
	III	60	-	-1.6	60	0.12	1.8
	IV	60	-		58.4	0.12	1.8
Total		60	-	1.6	58.4		7.2
2nd year	I	58.4	-	1.6	56.8	0.12	1.75
	II	56.8	-	1.6	55.2	0.12	1.7
	III	55.2	-	1.6	53.6	0.12	1.66
	IV	53.6	-	1.6	52	0.12	1.61
Total		58.4	-	6.4	52		6.72
3rd year	I	52	-	2.18	49.82	0.12	1.56
	II	49.82	-	2.18	47.64	0.12	1.49
	III	47.64	-	2.18	45.46	0.12	1.43
	IV	45.46	-	2.18	43.28	0.12	1.36
Total		52	-	8.72	43.28		5.84
4th year	I	43.28	-	2.18	41.1	0.12	1.3

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

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	II	41.1	-	2.18	38.92	0.12	1.23
	III	38.92	-	2.78	36.14	0.12	1.17
	IV	36.14	-	2.78	33.36	0.12	1.08
Total		43.28	-	9.92	33.36		4.78
5th year	I	33.36	-	2.78	30.58	0.12	1
	II	30.58	-	2.78	27.8	0.12	0.92
	III	27.8	-	2.78	25.02	0.12	0.83
	IV	25.02	-	2.78	22.24	0.12	0.75
Total		33.36	-	11.12	22.24		3.5
6th year	I	22.24	-	2.78	19.46	0.12	0.67
	II	19.46	-	2.78	16.68	0.12	0.58
	III	16.68	-	2.78	13.9	0.12	0.5
	IV	13.9	-	2.78	11.12	0.12	0.42
Total		22.24	-	11.12	11.12		2.17
7th year	I	11.12	-	2.78	8.34	0.12	0.33
	II	8.34	-	2.78	5.56	0.12	0.25
	III	5.56	-	2.78	2.78	0.12	0.17
	IV	2.78	-	2.78	-	0.12	0.08
Total		11.12	-	11.12	-		0.83

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

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ANNEXURE-26

PAYBACK PERIOD

Year of Operation	Cash Inflow from Operation	Cumulative Cash Inflow from Operation	Discounting Factor at 15%	Discounted Cash Inflow from Operation	Cumulative Discounted Cash Inflow from Operation
1st Year	19.16	19.16	0.870	16.66	16.66
2nd Year	29.55	48.71	0.756	22.34	39.00
3rd Year	38.95	87.66	0.658	25.61	64.61
4th Year	42.56	130.22	0.572	24.33	88.95
5th Year	45.98	176.20	0.497	22.86	111.81
6th Year	43.41	219.61	0.432	18.77	130.58
7th Year	40.45	260.05	0.376	15.20	145.78

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE 26

PAYBACK PERIOD

Simple Pay-back Period:	
Estimated Total Project Cost	104.90
Less: Interest on Term Loan during Construction Period	0.90
Adjusted Cost of the Project	104.00
Less: Cumulative Cash Inflow from Operation upto 3 years	87.66
	16.34
Cash Inflow from Operation during the 4th year	42.56
No. of months required to get Cash Inflow of 16.34 lacs	5
Simple Pay-back Period	3 years & 5 months

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE 27

PAYBACK PERIOD

Discounted Pay-back Period : (Discounted at 15%)

Estimated Total Project Cost	104.90
Less: Interest on Term Loan during Construction Period	0.90
Adjusted Cost of the Project	104.00
Less: Discounted Cumulative Cash Inflow from Operation up to 4 years	88.95
	15.05
Discounted Cash Inflow from Operation during the 5th year	22.86
No. of months required to get Cash Inflow of 15.05 lacs	8
Discounted Pay-back Period	4 years & 8 months

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE 28

PAYBACK PERIOD

(Under 5% increase in all Manufacturing Expenses)

Year of Operation	CASH OUTFLOW			CASH INFLOW			Net Cash Flow
	Capital Expenditure	Increase in Working Capital Investment	Total Cash Outflow	Cash Inflow from Operation	Disposal Value of Fixed Assets & Working Capital	Total Cash Inflow	
Pre-Optn.	82.50	0.00	82.50	0.00	0.00	0.00	-82.50
Period							
1st Year	0.00	89.40	89.40	19.16	0.00	19.16	-70.24
2nd Year	0.00	16.00	16.00	29.55	0.00	29.55	13.55
3rd Year	0.00	14.90	14.90	38.95	0.00	38.95	24.05
4th Year	0.00	7.60	7.60	42.56	0.00	42.56	34.96
5th Year	0.00	7.40	7.40	45.98	0.00	45.98	38.58
6th Year	0.00	0.10	0.10	43.41	0.00	43.41	43.31
7th Year	0.00	0.00	0.00	40.45	166.60	207.05	207.05

Ready Made Garments Manufacturing Unit (Jeans, Trousers & Shirts)

[NPCS/5242/23749]

ANNEXURE 29

INTERNAL RATE OF RETURN

Year of Operation	Net Cash Flow	Discounting Factor at 18%	Discounted Net Cash Flow at 18%	Discounting Factor at 17.71%	Discounted Net Cash Flow at 17.71%
Pre-Optn. Period	-82.50	1.000	-82.50	1.000	-82.50
1st Year	-70.24	0.847	-59.53	0.850	-59.67
2nd Year	13.55	0.718	9.73	0.722	9.78
3rd Year	24.05	0.609	14.64	0.613	14.75
4th Year	34.96	0.516	18.03	0.521	18.21
5th Year	38.58	0.437	16.86	0.443	17.07
6th Year	43.31	0.370	16.04	0.376	16.28
7th Year	207.05	0.314	65.00	0.319	66.13
Net Present Value			-1.72		0.00

Internal Rate of Return (IRR) 17.71%