

PROJECT AT GLANCE :

- 1 Name : **Rajen Tachang**
 2 Location of Project : Seramso, Po/Ps - Pakke Kessang, Dist - Pakke Kessang - 790103

3 Type of Organization Proprietorship

4 Name of Project : Homestay

5 **Cost of the project** : (Rs. In Lakhs)

Particulars	Total
Project Cost	30.00
Total	30.00

Means of Finance :

Particulars		Total
Proprietor Contribution	30%	9.00
Term Loan from Bank / Institution	30%	9.00
Government Subsidy	40%	12.00
Total		30.00

- 6 Debt Equity Ratio : 1.00 :1
 7 Debt Coverage Ratio : 10.84
 8 Gross Profit Ratio : 17.79 First Year Operation.
 9 Net Profit Ratio : 13.83 First Year Operation.
 10 Employment Potential : 2
 11 BEP : 15.82 First Year Operation.
 12 Effective Working days : 365 days
 13 Repayment Schdeule : 7 Years
 14 Return on Investment : 58.76 %
 15 Working Capital Expenditure Per Year
 1st Year 1.77
 2nd Year 1.92
 3rd Year 2.08
 4th Year 2.27
 5th Year 2.46
 16 Manpower Required 7

LIST OF ANNEXURE

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Annexure 1
COST OF THE PROJECT AND MEANS OF FINANCE:

The project cost has been estimated at Rs. **30.00** (Rs. In Lakhs)

Brief details of the project cost is given below

Cost of the project		:	(Rs. In Lakhs)
S No	Particulars		
1	Land & Building		Owned
2	Miscellaneous Fixed Assets		21.14
3	Preliminary & Pre operative expenses		1.02
4	Contingencies		0.34
	Total Fixed Assets		22.50
5	Working Capital Requirement		7.50
	Total Cost of Project		30.00

Means of Finance		:	(Rs. In Lakhs)
S No	Particulars		Total
1	Proprietor Contribution		9.00
2	Term Loan from Bank / Institution		9.00
3	Government Subsidy		12.00
	Total		30.00

Annexure-3			
Land And Building			
S No	Items	Area	Total (Rs. In Lakhs)
1	Land and Building		Owned

Annexure 4			
Miscellaneous fixed Asset			
S No	Particulars		(Rs. In Lakhs)
			Total
1	Paint, wallpaper, artworks, showpieces, lighting decor, etc.		3.10
2	Fans, lights, geysers, AC, heaters, inverter, etc.		2.14
3	Lawn, plants, fencing, outdoor furniture		1.69
4	Washing machine, iron, dryer, etc.		0.54
5	Beds, sofas, dining table, chairs, cupboards, curtains etc.		5.14
6	Generator / Power Backup		1.14
7	Parking Shed / Garage		0.85
8	Solar Panels		2.14
9	CCTV, locks, gate, fire extinguisher, alarm system		0.75
10	Wi-Fi Setup & Networking		0.15
11	Water Purification System		0.34
12	Bathroom fittings, water tank, sewage system, etc.		1.05
13	Stove, fridge, utensils, oven, mixer, chimney, etc.		2.11

Total **21.14**

OPERATING CAPACITY IS 85%

Appedix I

PROJECTIONS AND PROFITABILITY STATEMENT

(Rs. In Lakhs)

PARTICULARS	Operating years						
	1	2	3	4	5	6	7
A.INCOME:							
Revenue from Operation	29.23	32.16	38.59	46.30	55.56	66.68	80.01
Misc Income	2.14	2.35	2.82	3.39	4.07	4.88	5.86
GROSS INCOME PER YEAR	31.37	34.51	41.41	49.69	59.63	71.56	85.87
B. EXPENSES:							
Electricity & Fual	15.29	16.82	18.50	20.35	22.39	24.62	27.09
Misc Expenses	1.02	5.18	6.21	7.45	8.94	10.73	12.88
Salary	5.15	5.41	5.68	5.96	6.26	6.57	6.90
Maintenace Expenses	0.75	0.79	0.83	0.87	0.91	0.96	1.01
Contingent Expenses	0.41	0.43	0.45	0.47	0.50	0.52	0.55
Depreciation	3.17	2.70	2.29	1.95	1.66	1.41	1.20
Cost of Operations	25.79	31.32	33.96	37.06	40.66	44.82	49.62
C. Gross Profit [A - B]	5.58	3.19	7.45	12.64	18.98	26.74	36.25
D. Interest: on term loan	1.02	0.87	0.71	0.56	0.41	0.25	0.10
	1.02	0.87	0.71	0.56	0.41	0.25	0.10
E. Selling & Admin. Exp.	0.22	0.23	0.24	0.25	0.27	0.28	0.29
GROSS EXPENDITURE PER YEAR	27.03	32.42	34.92	37.87	41.33	45.35	50.01
F. Profit before Tax[C - (D+E)]	4.34	2.09	6.49	11.82	18.30	26.21	35.86
G. Income Tax	-	-	-	-	-		
H. Net Income Per Year	4.34	2.09	6.49	11.82	18.30	26.21	35.86
I. Depreciation added back	3.17	2.70	2.29	1.95	1.66	1.41	1.20
J. Cash Accruals (H + I)	7.51	4.79	8.79	13.77	19.96	27.61	37.05
L. Repayment of Term Loan	1.29	1.29	1.29	1.29	1.29	1.29	1.29
M. Net Cash A'ble (J - K))	6.22	3.50	7.50	12.48	18.67	26.33	35.77
Working Capital Requirement	1.77	1.92	2.08	2.27	2.46	2.68	2.92

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INTEREST SCHEDULE :

(Rs. in Lakhs)

Particulars	QUARTERS	OPENING	LOAN	CLOSING	INTEREST	INTEREST
		BALANCE	REPAYMENT	BALANCE	PER QTR.	
I	1	9.00	0.32	8.68	0.27	1.02
	2	8.68	0.32	8.36	0.26	
	3	8.36	0.32	8.04	0.25	
	4	8.04	0.32	7.71	0.24	
II	1	7.71	0.32	7.39	0.23	0.87
	2	7.39	0.32	7.07	0.22	
	3	7.07	0.32	6.75	0.21	
	4	6.75	0.32	6.43	0.20	
III	1	6.43	0.32	6.11	0.19	0.71
	2	6.11	0.32	5.79	0.18	
	3	5.79	0.32	5.47	0.17	
	4	5.47	0.32	5.14	0.16	
IV	1	5.14	0.32	4.82	0.15	0.56
	2	4.82	0.32	4.50	0.14	
	3	4.50	0.32	4.18	0.14	
	4	4.18	0.32	3.86	0.13	
V	1	3.86	0.32	3.54	0.12	0.41
	2	3.54	0.32	3.22	0.11	
	3	3.22	0.32	2.90	0.10	
	4	2.90	0.32	2.57	0.09	
VI	1	2.57	0.32	2.25	0.08	0.25
	2	2.25	0.32	1.93	0.07	
	3	1.93	0.32	1.61	0.06	
	4	1.61	0.32	1.29	0.05	
VII	1	1.29	0.32	0.97	0.04	0.10
	2	0.97	0.32	0.65	0.03	
	3	0.65	0.32	0.32	0.02	
	4	0.32	0.32	0.00	0.01	

NOTE :

Interest on Term Loan is calculated and Liquidated in 7 year

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DEPRECIATION SCHEDULE:

PARTICULARS	WDV at the year end						
	1	2	3	4	5	6	7
Plant & Machinery	21.14	17.97	15.27	12.98	11.04	9.38	7.97
Depreciation @ 15%	3.17	2.70	2.29	1.95	1.66	1.41	1.20
WDV	17.97	15.27	12.98	11.04	9.38	7.97	6.78
Total Assets [1+2+3+4]	17.97	15.27	12.98	11.04	9.38	7.97	6.78
Total Depreciation [1+2+3+4]	3.17	2.70	2.29	1.95	1.66	1.41	1.20

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CASH - FLOW STATEMENT :

PARTICULARS	Operating Years						
	1	2	3	4	5	6	7
A. Source of Funds :							
Profit after Tax	4.34	2.09	6.49	11.82	18.30	26.21	35.86
Depreciation	3.17	2.70	2.29	1.95	1.66	1.41	1.20
Loan from Bank	9.00						
Subsidy	12.00						
Promoters Contribution	9.00	-	-	-	-		
TOTAL OF ' A '	37.51	4.79	8.79	13.77	19.96	27.61	37.05
B. Application of Funds :							
Fixed Assets	22.50	-	-	-	-		
Repayment of loan	1.29	1.29	1.29	1.29	1.29	1.29	1.29
TOTAL OF ' B '	23.79	1.29	1.29	1.29	1.29	1.29	1.29
C. Opening Balance	-	13.72	17.23	24.73	37.21	55.88	82.21
D. Net surplus (A - B)	13.72	3.50	7.50	12.48	18.67	26.33	35.77
E. Closing Balance	13.72	17.23	24.73	37.21	55.88	82.21	117.98

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DEBT SERVICE COVERAGE RATIO :

Particulars	Operating Years						
	1	2	3	4	5	6	7
A. SOURCES :							
Profit after tax	4.34	2.09	6.49	11.82	18.30	26.21	35.86
Depreciation	3.17	2.70	2.29	1.95	1.66	1.41	1.20
Interest on term loan	1.02	0.87	0.71	0.56	0.41	0.25	0.10
TOTAL OF ' A '	8.53	5.66	9.50	14.33	20.36	27.87	37.15
B DEBT :							
Term loan installment	1.29	1.29	1.29	1.29	1.29	1.29	1.29
Interest on Term Loan	1.02	0.87	0.71	0.56	0.41	0.25	0.10
TOTAL OF ' B '	2.31	2.15	2.00	1.84	1.69	1.54	1.38
C Debt Service Coverage Ratio							
DSCR [A / B]	3.70	2.63	4.75	7.77	12.05	18.14	26.88

D Average DSCR 10.84

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BREAK-EVEN ANALYSIS

(Rs. in Lakhs)

Particulars	Years						
	1	2	3	4	5	6	7
A. Receipts	31.37	34.51	41.41	49.69	59.63	71.56	85.87
B. Variable cost:	22.62	28.62	31.67	35.11	39.00	43.41	48.42
D. Fixed costs:							
Depreciation	3.17	2.70	2.29	1.95	1.66	1.41	1.20
Interest on Term Loan	1.02	0.87	0.71	0.56	0.41	0.25	0.10
Administration Expenses	0.22	0.23	0.24	0.25	0.27	0.28	0.29
	4.41	3.79	3.25	2.76	2.33	1.94	1.59
E. Contribution [A - B]	8.75	5.89	9.74	14.58	20.63	28.15	37.45
F. P.V.Ratio [E/A x 100]	27.90	17.06	23.52	29.35	34.60	39.33	43.61
G. Break - even [Value] [D / F x 100]	15.82	22.24	13.80	9.41	6.73	4.93	3.64
H. Cash Break Even [Without Depreciation]	4.45	6.44	4.07	2.77	1.94	1.35	0.90

ANNEXURE VIII

ANALYSIS OF RETURN ON INVESTMENT :

$$1. \text{ Return on Investment} = \frac{\text{Average Return} \times 100}{\text{Capital Employed}}$$

$$2. \text{ Return} = \text{Profit before tax} + \text{Depreciation} + \text{Interest on term loan}$$

$$3. \text{ Capital Employed} = \text{Cost of the Project}$$

RETURN ON INVESTMENT :

PARTICULARS	OPERATING YEARS						
	1	2	3	4	5	6	7
Profit before tax	4.34	2.09	6.49	11.82	18.30	26.21	35.86
Depreciation	3.17	2.70	2.29	1.95	1.66	1.41	1.20
Interest on Term Loan	1.02	0.87	0.71	0.56	0.41	0.25	0.10
	8.53	5.66	9.50	14.33	20.36	27.87	37.15

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# Average Return	17.63
# Capital Employed	30.00
# Return on Investment	58.76 %

Conclusion: The DSCR Ratio is at a higher proposition and proposes a stable venture. The Project seems feasible.