

FINANCIAL ANALYSIS

ASSUMPTIONS SUPPORTING PROFITABILITY STATEMENTS

1. Installed Capacity	90 KW 788400 KWH
2. Gross Annual generation (Lac Units)	3.63 KW
	46.00%
3. Auxiliary consumption (%)	1.00
4. Selling price per kwh	5.53
5. Operations & Maintenance costs	1% of cost of project with an yearly increase of 3.84%
6. Interest on Term Loan	10.41%
7. Loan Period	7 years
8. Moratorium	1 year
9. No.of Quarterly Instalments	16
10. Depreciation	8.66 lacs per annum
11. Loan Amount.	74.62
12. Debt Service Coverage Ratio	1.37 times
13. Internal Rate of Return	8.13%
14. Share Capital	96.76

PROJECTED PROFITABILITY STATEMENT

(Rs. In Lacs)

DETAILS/YEARS	1	2	3	4	5	6	7	8	9	10
1. Installed Capacity (K.V.A)	90	90	90	90	90	90	90	90	90	90
2. Gross Generation (Lac Units)	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63
Less: Internal Consumption	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Net Production	3.59	3.59	3.59	3.59	3.59	3.59	3.59	3.59	3.59	3.59
3. Saleable Units	3.59	3.59	3.59	3.59	3.59	3.59	3.59	3.59	3.59	3.59
4. Income from Sales	19.85	19.85	19.85	19.85	19.85	19.85	19.85	19.85	19.85	19.85
Total Income	19.85	19.85	19.85	19.85	19.85	19.85	19.85	19.85	19.85	19.85
5. Oper.& Maint. Costs @ 1.5% on Project Cost and escalation of 5.72% every year	2.57	2.67	2.77	2.88	2.99	3.10	3.22	3.35	3.47	3.61
6.Profit before interest and non cash expenses	17.28	17.19	17.08	16.98	16.87	16.75	16.63	16.51	16.38	16.25
7. Depreciation @ 5.28%	9.05	9.05	9.05	9.05	9.05	9.05	9.05	9.05	9.05	9.05
8. Interest on Term Loan	7.53	6.55	5.58	4.61	3.64	2.67	0.85	0.36	0.00	0.00
9. Profit before tax	0.71	1.58	2.45	3.32	4.18	5.03	6.73	7.10	7.33	7.20
10. Provision for tax @ 15.66%	0.11	0.25	0.38	0.52	0.65	0.79	1.05	1.11	1.15	1.13
11. Profit after tax	1	1	2	3	4	4	6	6	6	6
12. Earnings per share	0	0	0	0	0	0	1	1	1	1
13. Dividend	0	0	0	0	0	0	0	0	0	0
14. Retained Profit	0.60	1.34	2.07	2.80	3.52	4.24	5.68	5.98	6.18	6.07
15. ADD: Depreciation and other write offs	9	9	9	9	9	9	9	9	9	9
16. Net Cash Accruals	10	10	11	12	13	13	15	15	15	15
	9.65	10.38	11.12	11.85	12.57	13.29	14.73	15.03	15.23	15.12
		9.65	20.03	31.15	42.99	55.57	68.86	83.59	98.62	113.85

PROJECTED CASH FLOW STATEMENT

(Rs. In Lacs)

DETAILS/YEARS	CONSTN. PERIOD	1	2	3	4	5	6	7	8	9	10
A. SOURCES											
1. Profit After Tax	0	1	1	2	3	4	4	6	6	6	6
2. Add Depreciation and other non cash expenses	0	9	9	9	9	9	9	9	9	9	9
3. Equity Share Capital	97	0	0	0	0	0	0	0	0	0	0
4. Increase in Term Loan	75	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	171	10	10	11	12	13	13	15	15	15	15
B. APPLICATION											
1. Capital Expenditure	171	0	0	0	0	0	0	0	0	0	0
3. Repayment of Term Loan	0	9	9	9	9	9	9	9	9	0	0
TOTAL APPLICATION	171	9	9	9	9	9	9	9	9	0	0
C. NET SURPLUS	0	0	1	2	3	3	4	5	6	15	15
D. ADD : OPENING CASH BALANCE	0	0	0	1	3	6	9	13	18	24	39
E. CLOSING CASH BALANCE	0	0	1	3	6	9	13	18	24	39	54

PROJECTED BALANCE SHEET

(Rs. In Lacs)

DETAILS/YEARS	1	2	3	4	5	6	7	8	9	10
LIABILITIES										
1. Share Capital	97	97	97	97	97	97	97	97	97	97
2. Reserves & Surplus	1	2	4	7	10	15	20	26	32	38
3. Term Loans	65	56	47	37	28	19	9	0	0	0
TOTAL LIABILITIES	163	155	147	141	135	130	126	123	129	135
ASSETS										
1. Gross Fixed Assets	171	171	171	171	171	171	171	171	171	171
2. Less : Accm. depreciation	9	18	27	36	45	54	63	72	81	90
3. Net Fixed Assets	162	153	144	135	126	117	108	99	90	81
5. Cash & Bank Balance	0	1	3	6	9	13	18	24	39	54
TOTAL ASSETS	163	155	147	141	135	130	126	123	129	135

BREAK EVEN POINT

(Rs. In Lacs)

DETAILS	FIXED	VARIABLE	TOTAL	Per Unit
	COST	COST	COST	
1. Operating Expenses	0.00	2.57	2.57	
2. Interest on Term Loan	7.53	0.00	7.53	
3. Depreciation	9.05	0.00	9.05	
TOTAL	16.57	2.57	19.14	
TOTAL INCOME			19.85	5.53
CONTRIBUTION			17.28	4.81
	16.57			
BREAK-EVEN POINT	-		96.00%	96%
	17.28			
CASH BREAK-EVEN POINT			32.65%	
BREAK-EVEN LEVEL OF INCOME (Rs.lakhs)			19.06	

DEBT SERVICE COVERAGE RATIO

DETAILS/YEARS	1	2	3	4	5	6	7	8	9	Total
CASH INFLOW										
1. Profit after Tax	0.60	1.34	2.07	2.80	3.52	4.24	5.68	5.98	6.18	32.41
2. Depreciation	9.05	9.05	9.05	9.05	9.05	9.05	9.05	9.05	9.05	81.44
3. Interest on Term Loan	7.53	6.55	5.58	4.61	3.64	2.67	0.85	0.36	0.00	31.80
TOTAL DEBT	17.17	16.94	16.70	16.46	16.21	15.96	15.58	15.40	15.23	145.65
1. Interest on Term Loan	7.53	6.55	5.58	4.61	3.64	2.67	0.85	0.36	0.00	31.80
2. Repayment of Term Loan	9	9	9	9	9	9	9	9	0	75
TOTAL	16.85	15.88	14.91	13.94	12.97	12.00	10.18	9.69	0.00	106.42
DEBT SERVICE COVERAGE RATIO	1.02	1.07	1.12	1.18	1.25	1.33	1.53	1.59	0.00	1.37

Average: 1.37

INTERNAL RATE OF RETURN

DETAILS/YEARS		1	2	3	4	5	6	7	8	9	10
1.Capital Investment	171	0	0	0	0	0	0	0	0	0	0
2.Profit after tax	0	0.60	1.34	2.07	2.80	3.52	4.24	5.68	5.98	6.18	6.07
3.Add Depreciation	0	9.05	9.05	9.05	9.05	9.05	9.05	9.05	9.05	9.05	9.05
4.Add : Interest on Term Loan	0	7.53	6.55	5.58	4.61	3.64	2.67	0.85	0.36	0.00	0.00
5.Add: Salvage Value	0	0	0	0	0	0	0	0	0	0	0
Net cash flows	-171	17	17	17	16	16	16	16	15	15	15
Post Tax IRR	8.13%										

COST OF THE PROJECT

(Rs. In Lacs)

DETAILS	COST
Total cost without IDC	164.00
Interest during construction	7.38
TOTAL	171.38

MEANS OF FINANCE

(Rs. In Lacs)

DETAILS	AMOUNT
1. Share Capital	96.76
2. Term Loans	74.62
TOTAL	171.38

ESTIMATION OF INTEREST ON TERM LOAN

(Rs. In Lacs)

DETAILS	OPG BAL RC	REPAY- MENT	CL BAL RC	INTEREST 10.50%	TOTA INTEREST	TOTAL REPAYMENT
I Year I Quarter	74.62	4.66	69.96	3.88		
II Quarter	69.96	4.66	65.29	3.64	7.53	9.33
II Year I Quarter	65.29	4.66	60.63	3.40		
II Quarter	60.63	4.66	55.97	3.16	6.55	9.33
III Year I Quarter	55.97	4.66	51.30	2.91		
II Quarter	51.30	4.66	46.64	2.67	5.58	9.33
IV Year I Quarter	46.64	4.66	41.97	2.43		
II Quarter	41.97	4.66	37.31	2.18	4.61	9.33
V Year I Quarter	37.31	4.66	32.65	1.94		
II Quarter	32.65	4.66	27.98	1.70	3.64	9.33
VI Year I Quarter	27.98	4.66	23.32	1.46		
II Quarter	23.32	4.66	18.66	1.21	2.67	9.33
VII Year I Quarter	18.66	4.66	13.99	0.49		
II Quarter	13.99	4.66	9.33	0.36	0.85	9.33
VIII Year I Quarter	9.33	4.66	4.66	0.24		
II Quarter	4.66	4.66	0.00	0.12	0.36	9.33
					31.80	74.62
Repayment in No. of Installements	16					

ESTIMATION OF DEPRECIATION - ST. LINE BASIS AS PER COMPANIES ACT

Particulars	Total Cost	Depn. Rate (%)	Amount
Total Project Cost	164	5.28	8.66
Total	164		8.66