

**TECHNO ECONOMIC
FEASIBILITY REPORT**

OF

M/S. MISHRA'S CONE HOUSE

Prop:- ANUPAMA MISHRA
At: IDCO Land, Po/Dist.- Balangir
Odisha-767001

For

**ICE CREAM MANUFACTURING
INDUSTRIES**

PREPARED BY AGRAWAL SHARMA & CO
CHARTERED ACCOUNTANTS
RAJENDRA PARK ROAD,
BOLANGIR (ORISSA)-767001.
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Casrikant
5/11/2019

Project at Glance

1 THE PROJECT

i Project	ICE CREAM MANUFACTURING (Product Name-Family Pack, Kulfi, Cone, Cups, Sticks, Bar, Soft Serve, Popsicle)
ii Name and Style	M/s MISHRA'S CONE HOUSE
iii Constitution	Proprietorship
iv Fixed Cost - Fixed Working	40.00 Lacs 20.00 Lacs
v Location of Factory	At- IDCO Land, Balangir Dist.- Balangir Odisha- 767001

2 PROPRIETOR'S DETAIL

i) Name	ANUPAMA MISHRA
ii) W/O	SHANKAR PRASAD MISHRA
iii) Religion	Hindu
iv) Category	GENERAL
v) Qualification	10th
vi) Experience	5 yrs
vii) Address	At- IDCO Land, Balangir Dist.- Balangir Odisha- 767001

3 TERM LOAN

i Amount	24.00 Lacs
ii Source	Bank Finance
iii Rate of Interest	11.00% pa
iv Period of Repayment	5 yr
v Moratorium Period	6 month
vi Mode Of Repayment	Monthly

3 Cash Credit

i Amount	12.00 Lacs
ii Source	Bank Finance
iii Rate of Interest	11.00 % p.a

4 IMPORTANT FINANCIAL RATIOS

i ISCR	1st yr 3.27
ii DEBT EQUITY RATIO	2.47
iii TOL / TNW	1.47
iv IRR	20.09%
v DSCR	2.81



Shankar and
5/12/2019

MISHRA'S CONE HOUSE

At- IDCO Land, Balangir

Dist: Balangir, Odisha- 767001

PROJECT COST/CAPITAL INVESTMENT

	Description	Amount in lacs
	Fixed Capital	40.00
	Working Capital	20.00
	Total Project Cost	60.00

MEANS OF FINANCE

	Description	Amount in lacs
	Promoter Contribution (40% of Total Project Cost)	24.00
	Term Loan (60% of Fix cost Requirement)	24.00
	Cash Credit (60% of Working Capital Requirement)	12.00
	Total	60.00

FIXED CAPITAL**Land**

	Description	Amount in lacs
	LAND & Its DEVELOPMENT	3.00
	Total	3.00

Building

	Description	Amount in lacs
	BUILDING(Factory Shed & Other Construction)	8.00
	Total	8.00

Plant and Machinery

SI no	Description	Amount/Unit	Quantity (in nos.)	Amount in lacs
1	ICE CREAM FREEZER	3.85	2	7.70
2	AGEING TANK	1.85	1	1.85
3	PASTEURIZING TANK	1.75	1	1.75
4	HOMOGENIZER MACHINE	2.00	2	4.00
5	RIPPLE MACHINE	1.30	2	2.60
6	FRUIT FEEDER	1.65	1	1.65
7	OTHER ACCESSORIES			3.45
8	ELECTRIFICATION			4.50
	Grand Total			27.50



Furniture & Fixture

	Description	Amount in lacs
1	Furniture & fixture	1.50
	Total	1.50

Total Working Capital

Year	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
Stock (Raw, WIP & Finished)	18.00	18.90	19.85	20.84	21.88
Receivables	3.14	4.25	4.68	5.14	5.66
Other Curr. Liab.	1.14	1.29	1.87	2.82	3.77
Working Capital	20.00	21.86	22.65	23.16	23.77
Less Own Contribution	8.00	9.86	10.65	11.16	11.77
Bank Finance Required	12.00	12.00	12.00	12.00	12.00

Wages (Per Month)

Description	Nos.	per month	Amount in lacs
Skilled	8	0.07	0.56
Unskilled	17	0.04	0.68
Total	25		1.24

Salaries (Per Annum)

Description	Amount in lacs
Supervisor	0.96
Total	0.96

Other Expenses (Per Month)

Description	Amount Rs
Printing & Stationary	1,600.00
Travelling Expenses	3,800.00
Telephone Expenses	1,500.00
Total	6,900.00



MISHRA'S CONE HOUSE

At- IDCO Land, Balangir
Dist: Balangir, Odisha- 767001

DETAILS OF DEPRECIATION ON FIXED ASSETS

<u>Items of Fixed Assets</u>	Plant & Machinery	BUILDING	FURNITURE
Cost of acquisition during the year	27.50	8.00	1.50
	27.50	8.00	1.50
DEPRECIATION RATE	15%	10%	10%
Depreciation	4.13	0.80	0.15
W.D.V. as at the end of 1st year	23.38	7.20	1.35
Depreciation	3.51	0.72	0.14
W.D.V. as at the end of 2nd year	19.87	6.48	1.22
Depreciation	2.98	0.65	0.12
W.D.V. as at the end of 3rd year	16.89	5.83	1.09
Depreciation	2.53	0.58	0.11
W.D.V. as at the end of 4th year	14.36	5.25	0.98
Depreciation	2.15	0.52	0.10
W.D.V. as at the end of 5th year	12.20	4.72	0.89



MISHKA'S CONE HOUSE

At- IDCO Land, Balangir
Dist: Balangir, Odisha- 767001

Term Loan Schedule

Term Loan (proposed) 2,400,000.00 lacs
Moratorium period 6 Months
No. of Instalment 54 Monthly Installment
Interest Rate 11.00% p.a.

NOTE:-

1. Moratorium period is expected to be 6 month & Intt. During the period is capitalised in loan amount

Quarter Ended	Quarterly Calculation				Yearly Summary		
	Opening Balance	EMI	Interest	Principal Repayment	Closing Balance	Yearly Summary	Interest
1st Year							
1st Month	2,400,000.00		Intt. Capitalised		2,422,000.00		
2nd Month	2,422,000.00		Intt. Capitalised		2,444,201.67		
3rd Month	2,444,201.67		Intt. Capitalised		2,466,606.85		
4th Month	2,466,606.85		Intt. Capitalised		2,489,217.41		
5th Month	2,489,217.41		Intt. Capitalised		2,512,035.24		
6th Month	2,512,035.24		Intt. Capitalised		2,535,062.23		
7th Month	2,535,062.23	59,730.00	23,238.00	36,492.00	2,498,570.23		
8th Month	2,498,570.23	59,730.00	22,904.00	36,826.00	2,461,744.23		
9th Month	2,461,744.23	59,730.00	22,566.00	37,164.00	2,424,580.23		
10th Month	2,424,580.23	59,730.00	22,225.00	37,505.00	2,387,075.23		
11th Month	2,387,075.23	59,730.00	21,882.00	37,848.00	2,349,227.23		
12th Month	2,349,227.23	59,730.00	21,535.00	38,195.00	2,311,032.23	1st Year	134,350.00
2nd Year							
1st Month	2,311,032.23	59,730.00	21,184.00	38,546.00	2,272,486.23		
2nd Month	2,272,486.23	59,730.00	20,831.00	38,899.00	2,233,587.23		
3rd Month	2,233,587.23	59,730.00	20,475.00	39,255.00	2,194,332.23		
4th Month	2,194,332.23	59,730.00	20,115.00	39,615.00	2,154,717.23		
5th Month	2,154,717.23	59,730.00	19,752.00	39,978.00	2,114,739.23		
6th Month	2,114,739.23	59,730.00	19,385.00	40,345.00	2,074,394.23		
7th Month	2,074,394.23	59,730.00	19,015.00	40,715.00	2,033,679.23		
8th Month	2,033,679.23	59,730.00	18,642.00	41,088.00	1,992,591.23		
9th Month	1,992,591.23	59,730.00	18,265.00	41,465.00	1,951,126.23		
10th Month	1,951,126.23	59,730.00	17,885.00	41,845.00	1,909,281.23		
11th Month	1,909,281.23	59,730.00	17,502.00	42,228.00	1,867,053.23		
12th Month	1,867,053.23	59,730.00	17,115.00	42,615.00	1,824,438.23	2nd Year	230,166.00



MISHRA'S CONE HOUSE

At- IDCO Land, Balangir
Dist: Balangir, Odisha- 767001

PROJECTED PROFITABILITY STATEMENT

YEARS	Amount in lacs				
	YR 1	YR 2	YR 3	YR 4	YR 5
INCOME					
Sales	96.60	106.26	116.89	128.57	141.43
TOTAL (A)	96.60	106.26	116.89	128.57	141.43
EXPENDITURE					
Purchase	79.82	68.91	75.75	83.28	91.56
Wages	14.88	16.37	18.00	19.81	21.79
Stores & Consumable	0.48	0.53	0.58	0.64	0.71
Printing & Stationary	0.19	0.21	0.23	0.26	0.28
Packing Exp.	1.50	1.65	1.82	2.00	2.20
Advertisement	1.20	1.20	1.50	1.50	1.80
Travelling Expenses	0.46	0.50	0.55	0.61	0.67
Repair & Maintenance	0.45	0.54	0.65	0.78	0.93
Telephone Expenses	0.18	0.20	0.22	0.24	0.26
Electricity	0.60	0.66	0.73	0.80	0.88
Salary	0.96	1.06	1.16	1.28	1.41
Interest on CC Loan	1.32	1.32	1.32	1.32	1.32
Interest on Term Loan	1.34	2.30	1.74	1.11	0.41
Audit Fee	0.10	0.10	0.10	0.10	0.10
Depreciation	5.08	4.36	3.75	3.23	2.78
TOTAL (B)	108.56	99.91	108.10	116.94	127.08
NET PROFIT [A-B]	(11.96)	6.35	8.78	11.64	14.35
Opening stock	-	18.00	18.90	19.85	20.84
Closing Stock	18.00	18.90	19.85	20.84	21.88
Profit before Taxation	6.04	7.25	9.73	12.63	15.39
Provision for Taxation	0.35	0.60	1.11	1.99	2.85
Profit after Taxation	5.69	6.66	8.62	10.64	12.54
Less : Drawings	5.00	6.00	6.00	8.00	8.00
	0.69	0.66	2.62	2.64	4.54



MISHRA'S CONE HOUSE

At- IDCO Land, Balangir
Dist: Balangir, Odisha- 767001

PROJECTED BALANCE SHEET

YEARS	Amount in lacs				
	YR 1	YR 2	YR 3	YR 4	YR 5
LIABILITIES					
Capital	24.00	24.69	25.35	27.96	30.60
Reserve & Surplus	0.69	0.66	2.62	2.64	4.54
Term Loan	23.11	18.24	12.82	6.76	-
Cash Credit	12.00	12.00	12.00	12.00	12.00
Other Curr. Liab. & Provision	1.14	1.29	1.87	2.82	3.77
TOTAL	60.95	56.88	54.65	52.18	50.91
ASSETS					
Net Fixed Assets (W.D.V.)	34.93	30.56	26.81	23.59	20.81
Debtors	3.14	4.25	4.68	5.14	5.66
Stock of W.I.P. & Finished Product	18.00	18.90	19.85	20.84	21.88
Cash & Bank Bal.	4.88	3.16	3.31	2.61	2.56
TOTAL	60.95	56.88	54.65	52.18	50.91



MISHRA'S CONE HOUSE

At- IDCO Land, Balangir
Dist: Balangir, Odisha- 767001

PROJECTED CASH FLOW STATEMENT

YEARS	Amount in lacs				
	YR 1	YR 2	YR 3	YR 4	YR 5
SOURCES					
PBIT	8.70	10.88	12.79	15.06	17.12
Depreciation	5.08	4.36	3.75	3.23	2.78
Increase in Capital	24.00	-	-	-	-
Increase in Cash Credit	12.00	-	-	-	-
Increase in Term Loan	23.11	(4.87)	(5.43)	(6.06)	(6.76)
Increase in Other Liabilities	1.14	0.14	0.58	0.95	0.94
TOTAL [A]	74.03	10.52	11.69	13.18	14.08
APPLICATION					
Interest on Bank Loan	2.66	3.62	3.06	2.43	1.73
Increase in Fixed Assets	40.00	-	-	-	-
Increase in Other Assets	21.14	2.01	1.37	1.46	1.56
Drawings	5.00	6.00	6.00	8.00	8.00
Income Tax	0.35	0.60	1.11	1.99	2.85
TOTAL [B]	69.15	12.23	11.54	13.88	14.14
Opening Cash Balance	-	4.88	3.16	3.31	2.61
Net Surplus / Deficit [A-B]	4.88	(1.72)	0.15	(0.70)	(0.05)
Closing Cash Balance	4.88	3.16	3.31	2.61	2.56



MISHRA'S CONE HOUSE

At- IDCO Land, Balangir
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PAYBACK PERIOD

		Amount in lacs				
YEARS		YR 1	YR 2	YR 3	YR 4	YR 5
CASH INFLOW						
Profit After Tax		5.69	6.66	8.62	10.64	12.54
Depreciation		5.08	4.36	3.75	3.23	2.78
TOTAL INFLOW(A)		10.77	11.02	12.37	13.87	15.32
TOTAL OUTFLOW(B)		60.00				
ACCUMULATED INFLOW	YR 1	10.77	11.02	12.37	13.87	15.32
	YR 2		10.77	11.02	12.37	13.87
	YR 3		21.78	10.77	11.02	12.37
	YR 4			34.15	10.77	11.02
	YR 5				48.01	10.77
	TOTAL					63.33
DIFF.(OUTFLOW - INFLOW)		49.23	38.22	25.85	11.99	(3.33)
PAY BACK PERIOD	=	60.00	-	48.01	=	11.99
			4	+	11.99	
					15.32	
	=		4	+	0.78	
	=		4.78	YR		



MISHRA'S CONE HOUSE

At- IDCO Land, Balangir
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DEBT-SERVICE COVERAGE RATIO

PARTICULARS	Amount in lacs				
	YR 1	YR 2	YR 3	YR 4	YR 5
A) DEBT - SERVICING FUND					
1) NET CASH ACCRUAL (PBDT)	11.11	11.62	13.48	15.86	18.17
2) TOTAL INTEREST (I)	2.66	3.62	3.06	2.43	1.73
TOTAL (PBDIT)	13.78	15.24	16.54	18.29	19.90
B) DEBTS					
1) Intt (CC & Term Loan)	2.66	3.62	3.06	2.43	1.73
2) Principal	2.24	4.87	5.43	6.06	6.76
TOTAL	4.90	8.49	8.49	8.49	8.49
C) NORMAL DEBT-SERVICE COVERAGE RATIO					
Av. DSCR	2.81	1.80	1.95	2.15	2.34
					2.21



MISHRA'S CONE HOUSE

At- IDCO Land, Balangir
Dist: Balangir, Odisha- 767001
INTERNAL RATE OF RETURN

		Amount in lacs				
YEARS		YR 1	YR 2	YR 3	YR 4	YR 5
CASH INFLOW						
Profit Before Tax		6.04	7.25	9.73	12.63	15.39
Depreciation		5.08	4.36	3.75	3.23	2.78
TOTAL INFLOW(A)		11.11	11.62	13.48	15.86	18.17
Discounted Rate @ 20%		0.83	0.69	0.58	0.48	0.40
Cash Inflow at discounted Value		9.26	8.07	7.80	7.65	7.30
Discounted Rate @ 30%		0.77	0.59	0.46	0.35	0.27
Cash Inflow at discounted Value		8.55	6.87	6.14	5.55	4.89
CASH OUTFLOW						
Capital Expenditure	40.00					
TOTAL OUTFLOW(B)	40.00					
N.P.V at Lower Rate(A)		Cash Inflow at 20% - Cash Outflow				
		40.07	-	40.00	0.07	
N.P.V at Higher Rate(B)		Cash Inflow at 30% - Cash Outflow				
		32.00	-	40.00	(8.00)	
I.R.R	$20\% + \frac{0.07}{8.07} \times (30-20)$					
	=	20.09%				



MISHRA'S CONE HOUSE

At- IDCO Land, Balangir
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PROFIT ANALYSIS & RATIOS

PARTICULARS	Amount in lacs				
	YR 1	YR 2	YR 3	YR 4	YR 5
SALES	96.60	106.26	116.89	128.57	141.43
PAT	5.69	6.66	8.62	10.64	12.54
TAX	0.35	0.60	1.11	1.99	2.85
PBT	6.04	7.25	9.73	12.63	15.39
TOTAL INEREST	2.66	3.62	3.06	2.43	1.73
PBIT	8.70	10.88	12.79	15.06	17.12
DEPRICIATION	5.08	4.36	3.75	3.23	2.78
PBDIT	13.78	15.24	16.54	18.29	19.90
TL INSTALLMENT	3.58	7.17	7.17	7.17	7.17
DRAWINGS	5.00	6.00	6.00	8.00	8.00
RETAINED EARNING	0.69	0.66	2.62	2.64	4.54
CASH PROFIT	10.77	11.02	12.37	13.87	15.32
TOL	36.25	31.53	26.69	21.58	15.77
TNW	24.69	25.35	27.96	30.60	35.14
CURRENT ASSET	26.02	26.32	27.83	28.59	30.10
CURRENT LIABILITIES	13.14	13.29	13.87	14.82	15.77
% OF PROFIT ON SALES	5.89%	6.26%	7.37%	8.27%	8.87%
% OF RETURN ON INVESTMENT	18.20%	24.95%	31.36%	40.31%	48.72%
INTREST SERIVCE COVERAGE	3.27	3.00	4.18	6.20	9.90
PAY BACK PERIOD	4.78	YR			
IRR	20.09%				
DEBT EQUITY RATIO	2.47	2.24	1.95	1.71	1.45
DEBT TO TOTAL FUND RATIO	0.48	0.42	0.31	0.18	-
DSCR	2.81	1.80	1.95	2.15	2.34
TOL/TNW	1.47	1.24	0.95	0.71	0.45
CURRENT RATIO	1.98	1.98	2.01	1.93	1.91

