

Detailed Project Report (DPR)
of
SHELL PETROL STATION

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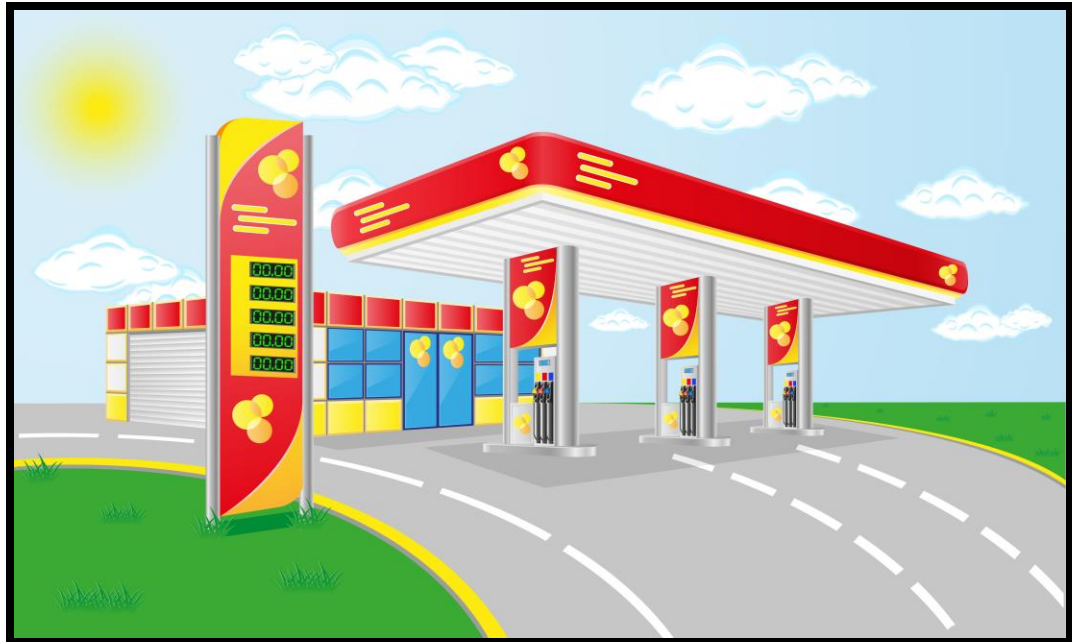
1. EXECUTIVE SUMMARY

1.1 Project Snapshot – Introduction and Overview

Business : Shell Petrol Pump - Retail Outlet

Name of the Owner : MR. S MURUGAN

Address : Arcot Road, Vedapalani, Chennai, Tamilnadu – 600 026



Funding Facility :

Term Loan – Rs. 82.50 lakhs

Petrol Pump business is undoubtedly considered as one of the leading profit making ventures globally. The obvious reason behind is it's never ending and ever increasing demand by transportation and logistics sector and especially for daily commuting

purposes. Though it requires lots of paperwork and legal formalities to be fulfilled, still it stands amongst the top profit generating businesses across the nation.

As the owners are having a good business connection in the locality, it will be easier to start and expand the business and the goodwill of the Business unit will be created at a greater extent. Once the business will start achieving higher sales, large scale economies will help them to get a higher GP/NP ratio and overall positive incremental revenue.

Fuel retailing industry has had a mix of uneven and volatile rate of growth. It has a high level of concentration, with top four major players accounting for a massive 81% of the total industry revenue in 2012-13. Going by the revenue increase, the graph and growth suggests that the concentration in the industry has not changed dramatically over the last five years, but M&As have had a significant influence in the department to change in market share between retail chains and franchises.

1.2 Profile of Promoters, Business Owners

Mr. S. Murugan is the owner of the petrol pump. He has completed his graduation and having adequate experience in entrepreneurship. The driving force behind every business is increased sales and high profits. Businessmen should be confident about the product they are selling as well as their own ability to successfully, gain the trust, arouse an interest and eventually convince them to try a new product. The Business owners are having all such qualities inherently and were able to develop the same during the business course of their other respective businesses. Convincing a prospective customer to buy a product is not an easy task. Selling is an art and requires patience; applicant is skillful in such task & it can be considered as a plus point for an entity.

1.3 Employment Details

One should insist to increase the employment levels of the country. In the light of this, entrepreneurs and business owners help the economy by generating employment in urban and rural areas.

In coming years and decades, India is expected to witness significant demographic growth and expansion in the working age population. To absorb such labor force in the future, all the sectors viz. manufacturing, service, trading and agriculture would need to play an important role. Currently trading sector accounts for approximately 21% to 23% of the total employment in the country, which is well below its true potential.

IOL Petrol Pump will help the economy by way of employment generation, as it is going to generate employment to 10 to 20 people.

1.4 Cost of Project

Estimating the cost of a project varies based on the industry, the type and scope of the project undertaken and the time frame for completing the project. While the variables of any given project may change according to circumstances, there are 3 main elements of project costing found in most all project cost estimations.

Pre-Planning - Costs related to pre-project planning and preparation vary widely from industry to industry. Typical pre-planning costs include selecting potential project managers and employees, conducting market and project research

Material Costs - All materials necessary for a project are included in material costs.

Materials are anything the project manager purchases to aid in or conduct the project.

Operating Costs - The operating costs of a project include the fees associated with purchasing project supplies, paying rent and associated costs on a facility or location for the project to take place, the cost of permitting, inspections and daily operations.

Such costs can further be divided into 2 types viz. capital expenditure and revenue expenditure.

Detailed particulars about the cost have been provided hereunder :

SR. NO.	PARTICULARS	AMOUNT lakhs Rs.
1	PETROL PUMP BUILDING & Other Construction	80.00
2	DEPOSIT (FUEL TANK) and OTHERS	30.00
	TOTAL:	110.00

1.5 Means of Finance

The total cost of Project is Rs. 110.00 lakhs and it will be sufficed in the following manner :

MEANS OF FINANCE	(Rs. in lakhs)
Term Loan	82.50
Cash Credit	--
Own Contribution	27.50
Total	110.00

1.6 Existing Obligations

The business owners are not having any heavy existing obligations, although, we have provided the documents such as Sanction letters and Bank statements of existing loans (if any), in order to assess the existing banking commitments.

1.7 Subsidy

Government subsidies are monetary grants provided by the government to private institutions or other public entities, in order to stimulate economic activity or promote activities that are in the public good. Subsidies encourage companies to undertake economic activities and business ventures that the government sees as in the public's best interest. Like indirect taxes, they can alter relative prices and budget constraints and thereby affect decisions concerning production, consumption and allocation of resources.

There are 2 main types of subsidies : Direct subsidies and Indirect subsidies. Direct subsidies are those that involve an actual payment of funds toward a particular individual, group or industry.

Indirect subsidies are those that do not hold a predetermined monetary value or involve actual cash outlays. They can include activities such as price reductions for required goods or services that can be government-supported.

Other than that, there are various types of Subsidies viz. Cash subsidies, tax concessions, Government purchases policies, etc.

2. PROJECT VIABILITY & MARKET STUDIES

2.1 Feasibility Studies

A business feasibility report is not a business plan. A feasibility study is an investigative process that seeks to determine the viability of a business venture. It is conducted before a business plan is even considered. A business plan describes the steps needed to take a proposal from an idea to the reality of implementation after the decision has been made to go ahead with the project.

A feasibility analysis evaluates the project's potential for success; therefore, perceived objectivity is an essential factor in the credibility of the study for potential investors and lending institutions. One of the prerequisites for a successful business or unit is to have the technically feasible business model. A technical feasibility evaluates the details of how you propose to deliver a product or service to customers. Think materials, labour, transportation, where your business will be located, and the technology that will be necessary to bring all this together.

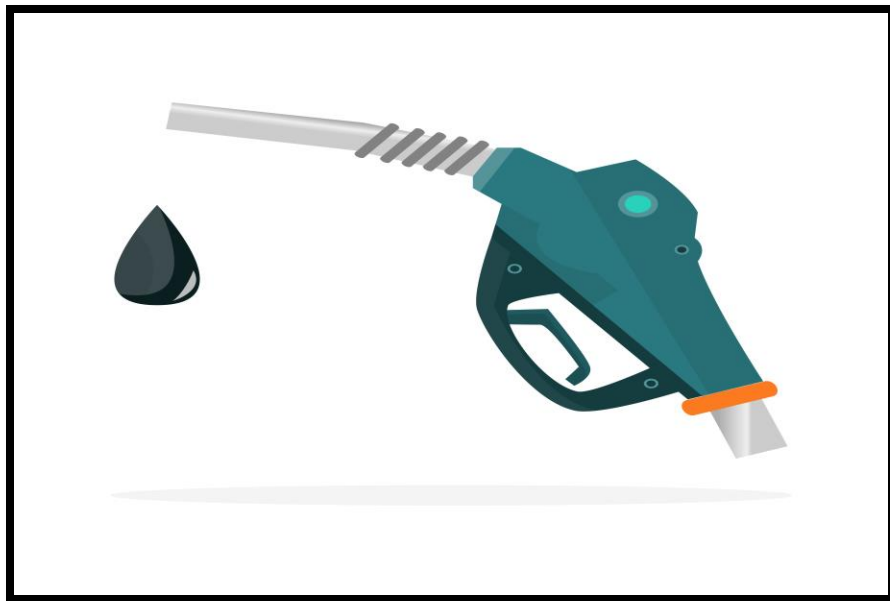
There are five types of feasibility studies—separate areas that a feasibility study examines. Some major points out of them as explained below.

Technical Feasibility: This assessment focuses on the technical resources available to the organization. It helps organizations determine whether the technical resources meet capacity and whether the technical team is capable of converting the ideas into working systems. Technical feasibility also involves the evaluation of the hardware, software, and other technical requirements of the proposed system.

Economic Feasibility: This assessment typically involves a cost/ benefits analysis of the project, helping organizations determine the viability, cost, and benefits associated with a project before financial resources are allocated. It also serves as an independent project assessment and enhances project credibility—helping decision-makers determine the positive economic benefits to the organization that the proposed project will provide.

Operational Feasibility: This assessment involves undertaking a study to analyse and determine whether—and how well—the organization’s needs can be met by completing the project. Operational feasibility studies also examine how a project plan satisfies the requirements identified in the requirements analysis phase of system development.

Carrying on aforementioned feasibility studies is an essential part of pre-planning activities.



Petrol Pump business is undoubtedly considered as one of the leading profit making ventures globally. The obvious reason behind is it's never ending and ever increasing demand by transportation and logistics sector and especially for daily commuting purposes. Though it requires lots of paperwork and legal formalities to be fulfilled, still it stands amongst the top profit generating businesses across the nation.

To open a petrol pump in rural areas, the applicant needs to have funding of minimum Rs. 15 – Rs. 20 lakh. Whereas, for opening petrol pump in urban areas the investment amount can go up to Rs. 30 – Rs. 35 (if land is self-owned).

Applicant must have land under his/her own name or areas where land can be taken on lease for longer tenure, as per the notification. There are two types of retail outlets that can be opened as per the location that are as follows:

- i) Regular Retails Outlets: On National and State highways; Urban and Semi-urban areas
- ii) Rural Retail Outlets: Land in rural areas but not on national highways

Ideally, the area of 800 sq. meters – 1200 sq. meters is suitable for opening a petrol pump.

After considering most of the aforementioned factors and points, a detailed feasibility study viz. Technical, economical and operational – have been carried out by the promoters / owners of the entity, and based on their personal due diligence and in-depth knowledge of the market, the project / company and its business operations are feasible in all the possible ways.

A detailed financial feasibility study has also been carried out based on the current demand – supply analysis and data & assumption-based projections ; which has been separately presented in the FINANCIAL FEASIBILITY section in (3) Financial Data & Ratios. ‘Sensitivity analysis’ and ‘assessed bank finance’ studies will help in ascertaining the financial viability of the project.

2.2 Industry Analysis

India ranked 63 in the World Bank's Doing Business 2020 publication. India ranked 73 in the United Nations Conference on Trade and Development's Business-to-Consumer (B2C) E-commerce Index 2019. India's direct selling industry recorded sales of US\$ 2.47 billion in 2019, improving its rank to 15 from 19 a year before. Indian trading industry is one of the fastest growing in the world. Retail industry is expected to reach Rs. 76.87 lakh crore (US\$ 1.1 trillion) by end of 2021.

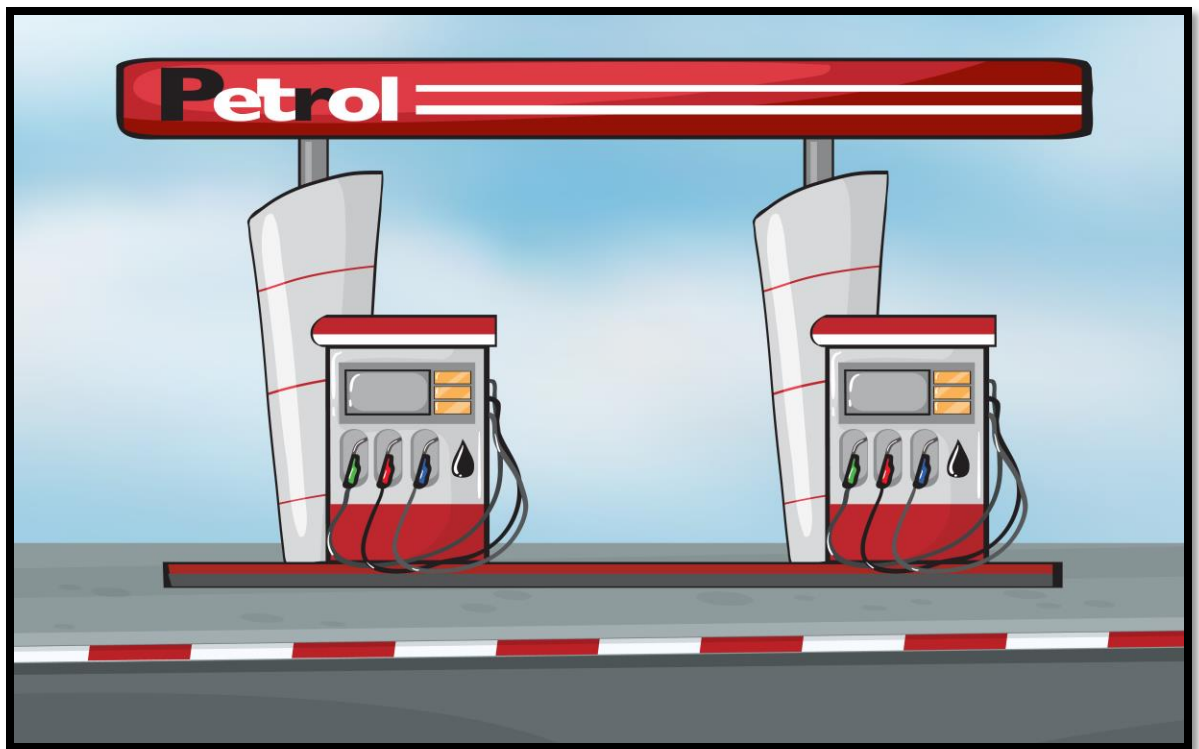
India is the fifth largest and preferred retail destination globally. The country is among the highest in the world in terms of per capita retail store availability. India's retail sector is experiencing exponential growth with retail development taking place not just in major cities and metros, but also in tier II and III cities. Healthy economic growth, changing demographic profile, increasing disposable income, urbanisation, changing consumer tastes and preferences are some of the factors driving growth in the organised retail market in India.

Indian online grocery market is estimated to exceed sales of about Rs. 22,500 crore (US\$ 3.19 billion) in 2020, witnessing a significant jump of 76% over the previous year. India's population is taking to online retail big way. India's E-commerce business will reach US\$ 99 billion by 2024, growing at a CAGR of 27% over 2019. Online penetration of retail is expected to reach 10.7% by 2024 versus 4.7% in 2019.

India is expected to become the world's third-largest consumer economy, reaching Rs. 27.95 lakh crore (US\$ 400 billion) in consumption by 2025. ^Increasing participation from foreign and private players has given a boost to Indian retail

industry. India's price competitiveness attracts large retail players to use it as a sourcing base. Global retailers such as Walmart, GAP, Tesco and JC Penney are increasing their sourcing from India and are moving from third-party buying offices to establishing their own wholly owned/wholly managed sourcing and buying offices in India.

The Government of India has introduced reforms to attract Foreign Direct Investment (FDI) in retail industry. The Government has approved 51% FDI in multi-brand retail and 100% FDI in single-brand retail under the automatic route, which is expected to give a boost to Ease of Doing Business and Make in India schemes, with plans to allow 100% FDI in E-commerce. Cumulative FDI inflow in retail stood at US\$ 2.17 billion between April 2000 to June 2020. India's retail sector attracted US\$ 970 million from various private equity (PE) funds in 2019.



The global fuel pumps market is expected to grow on account of expanding the automotive industry due to the corresponding demand for vehicles. Fuel pumps serve main purposes such as fuel injection to the engine, maintaining optimal pressure between carburetor and engine as well as to prevent fuel from overheating. Previous models of automobiles relied solely on the gravitational force for fuel injection purposes; however technological developments and increasing industrialization are expected to exponentially develop the global fuel pump market. The market is mainly classified into turbo, mechanical, and electric fuel pumps. Mechanical pumps are mostly found in older automobile versions. However, turbopumps which are found in jet engines and electric fuel pumps, are witnessing exponential growth on account of the increasing pressure on fuel efficiency in automobiles.

Various governmental regulations such as Global Protocol for Community-Scale Greenhouse Gas Emission Inventories (GPC) have enforced strict carbon emission standards. This has led to increasing pressure on the automotive industry to adhere to various stringent regulations. Such factors are also expected to drive the demand for updated and advanced fuel pumps over the forecast period. Increased fuel efficiency results in optimal power output, ease of engine startup, reduced costs, and maintenance of automobiles. Furthermore, rising fuel prices are expected to offer profitable opportunities for the growth of the fuel pumps market throughout the forecast period. In addition, residual buildup in engines can be reduced by replacing older mechanical pumps with electric fuel pumps. This offers an attractive advantage for the automobile industry, which in turn is expected to enhance market growth.

Electric fuel pumps are also less likely to develop external leakages, providing an added advantage for the growth of the market. High-speed fuel injection can be achieved under all conditions and in a variety of engine speeds. This factor is expected to significantly propagate growth for the global fuel pump market. Advanced safety and stability is also achieved since electric fuel pumps do not leak gas into the engine thus gaining an edge over conventional pumps. These factors are expected to further augment the market growth over the forecast period.

Few factors can possibly impede the development of the electric fuel pump market such as the high cost of installation and complexity involved in changing pumps as compared to conventional mechanical pumps. Inconvenience and inaccessibility of the electric fuel pump on account of its obscure location inside automobile gas tanks are also expected to hamper the growth of the market. Fire and electric hazards are also some issues that may negatively impact the growth of the fuel pump market during the forecast period.

Dynamics of the fuel pump market are likely to undergo positive progress globally on account of government regulations regarding fuel efficiencies and environmental sustainability. The key players in the industry currently include Robert Bosch GmbH, Great Plants Industries Ltd., Delphi Automotive LLP, Farstar Auto Parts Co., Pricol Limited, Spectra Premium, and Suntec Industries Inc.

A fuel pump is a vital component in the fuel system of an automobile. The three key functions of a fuel pump are: to deliver the right fuel quantity in keeping with the operating conditions of the engine, to maintain optimal pressure between the pump

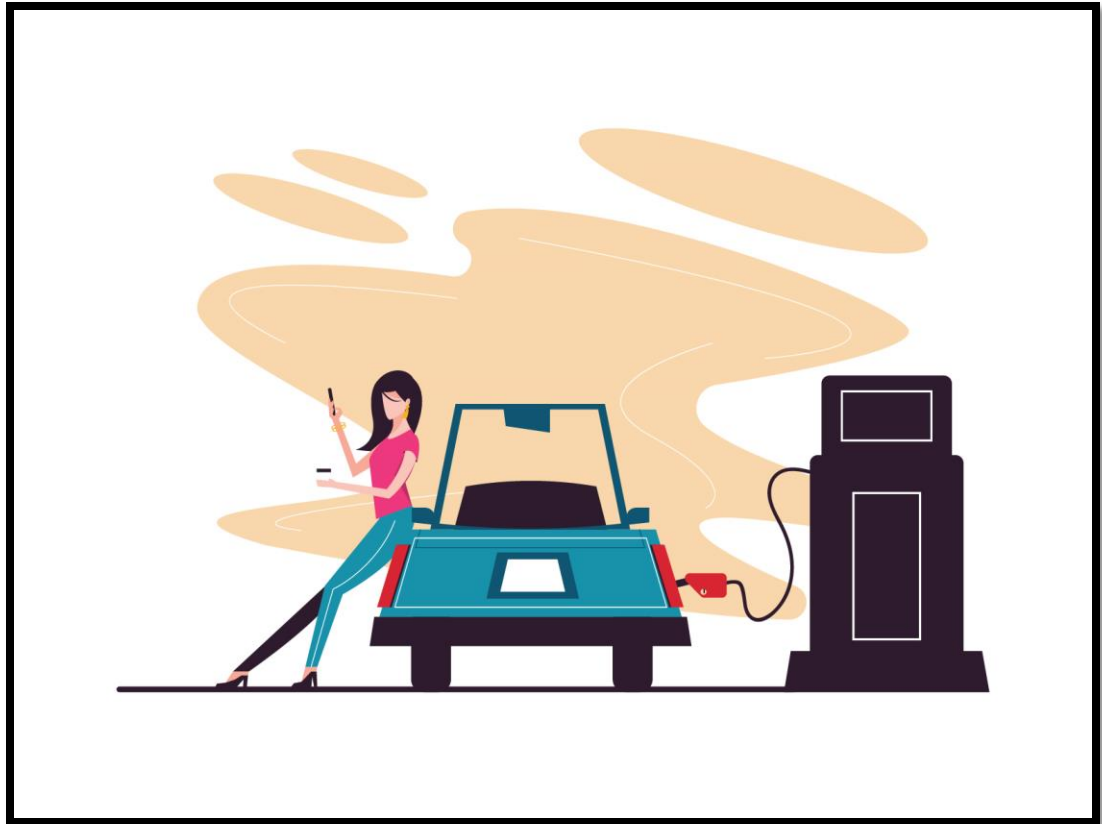
and carburetor to prevent fuel from overheating, and in most cases, to prevent vapor lock. While their essential functions remain the same, there are various types of fuel pumps based on different operating principles such as: mechanical, electrical and vacuum pumps.

A fuel pump is thus an indispensable component of an internal combustion engine. A number of old engines had no function for a fuel pump as fuel-feeding depended solely on gravitational force. But, engines that do not use the gravitational feed technology need to incorporate a pump that can feed fuel from the tank to the engine. A carburetor engine comprises a low-pressure mechanical pump whereas fuel injection engines rely on electric fuel pumps. Besides controlling the fuel feed, these pumps perform the vital task of bringing fuel efficiency to an engine.

Turbo pumps, mechanical pumps, and electric pumps are among popular fuel pump designs. While turbo pumps are primarily seen in jet engines, electrical and mechanical pumps are used in contemporary cars. Mechanical pumps, on the other hand, were popular in older car models.

The fuel pumps market is spread across key geographies of North America, Europe, Asia Pacific and Rest of the World. While NA and Europe are leading fuel pump markets currently, demand from the Asia Pacific and RoW regions is likely to increase on account of the expanding automotive and automobile markets here. Asian nations

such as China and India, and developing African nations are witnessing a burgeoning automotive and automobile industry.



Dynamics of the fuel pump market are however, likely to undergo a because of government regulations for fuel efficiencies and environmental sustainability. Fuel injection pumps and systems are being increasingly used to achieve federal fuel efficiency mandates. Though our analysts anticipate healthy technological development in this market, concerns about the global economy could decelerate growth.

Fuel retailing industry comprises companies that operate by selling automotive fuel or lubricating oils at the retail stores such as service station, fuel stations and similar others. In addition, to attract a larger number of customers, the companies in this

industry provide services such as car wash, convenience store goods and general check-up of automobile as a supplement to fuel sales and generate more revenue and expand their customer base. Petrol & Diesel being the main products of this industry, the fuel retailing industry has seen a massive change in terms of growth and expansion in the last few decades. Fuel retailers have experienced a massive and significant revenue volatility over the last five years in particular as the global financial crisis hit the global price of crude oil, where as much as approximately 37% drop was estimated in 2008-09. Due to this, it triggered a reduction in retail petrol prices and the industry then was majorly affected with the revenue.

On the basis various factors related to industry analysis, a detailed scrutiny was carried out by the promoters / business owners and to conclude, based on the SWOT and Porter's five forces business model, they found the industry very demanding and scope for the business is unrestricted.

2.3 Market Potential



Oil and gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy.

India's economic growth is closely related to its energy demand, therefore, the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment.

The Government has adopted several policies to fulfil the increasing demand. It has allowed 100% Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products and refineries among others. Today, it

attracts both domestic and foreign investment as attested by the presence of Reliance Industries Ltd (RIL) and Cairn India.

India has been the fourth-largest Liquefied Natural Gas (LNG) importer since 2011 after Japan, South Korea, and China.

India is expected to be one of the largest contributors to non-OECD petroleum consumption growth globally. Crude Oil import rose sharply to US\$ 101.4 billion in 2019–20 from US\$ 70.72 billion in 2016–17. India retained its spot as the third largest consumer of oil in the world in 2019 with consumption of 5.16 million barrels per day (mbpd) of oil in 2019 compared to 4.56 mbpd in 2016.

As of August 01, 2020, India's oil refining capacity stood at 249.9 million metric tonnes (MMT), making it the second-largest refiner in Asia. Private companies own about 35.29% of the total refining capacity in FY20.

In FY20, crude oil production in India stood at 30.5 MMT. In FY20, crude oil import increased to 4.54 mbpd from 4.53 mbpd in FY19. Natural Gas consumption is forecast to reach 143.08 million tonnes (MT) by 2040. India's LNG import stood at 33.68 bcm during FY20.

India's consumption of petroleum products grew 4.5% to 213.69 MMT during FY20 from 213.22 MMT in FY19. The total value of petroleum products exported from the country increased to US\$ 35.8 billion in FY20 from US\$ 34.9 billion in FY19. Export of petroleum products from India increased from 60.54 MMT in FY16 to 65.7 MMT in FY20.

Petrol pumps are often installed and commissioned in the outskirts of main cities where power cuts are common. These pumps usually consume high electricity as they have to function for 24 hours. Most petrol pumps are often based on diesel generators, which are expensive and do not provide instant backup. Solar power provide a cost effective and economic solution to meet the daily power needs of any petrol pump by providing solar electricity for a longer period of time and avoiding the damage of dispensing units at petrol pumps, which might occur due to sudden power failure. Moreover, deployment of solar panels at petrol pumps solves the problem of load shedding in addition to more savings on electricity bills. .

Sufficiency of solar power to produce electricity to power fuel guns and various other office equipment in extreme remotely located petrol pumps, where power supply is available for few hours or not available; and increased investments in solar energy coupled with subsidy on solar installation drive the market growth. Furthermore, use of grid tie solar systems as an efficient alternative to batteries, resulting in space- and cost saving, zero gas and residue emission leading to reduction of carbon footprint supplement the market growth. However, issues related with grid congestion and the quality of solar panels is making people overcautious over the setup of new panels, which is projected to delay the market growth.

The report segments the market on the basis of installation type, technology, grid type, and geography. Based on installation type, it is divided into ground mounted, rooftop, and canopy. The technology segment includes thin film and clear. On the

basis of grid type, the market is bifurcated into off-grid and on-grid. Geographically, it is analyzed across North America, Europe, Asia-Pacific, and LAMEA.

The rise in electricity costs and fuel costs will drive the solar-powered petrol pump market. The only solution to fight this high rise in fuel and electricity costs is to adopt renewable sources of power like solar. Indian government gives a 30% subsidy on solar installation so the initial cost of the solar solution goes down marginally. The solar system's panels require open space at the pump to be installed. Grid-tie systems offer 98% efficiency in arising solar power and eliminate the use of batteries thereby saving space and costs. Easy option of the grid the use of series since most petrol pumps offer only day time operations, grid-tie solar systems become easy options for these pumps. Petrol pumps can use any of the 2 types of solar grids used for solar set up namely On-Grid and Off-Grid. Grid setup is best suited for petrol pumps as it offers maximum advantages. By state, Punjab dominated India's solar-powered petrol pump market followed by Maharashtra. Maharashtra to grow at a faster pace. Frequent power cuts in Andhra Pradesh and Maharashtra started switching to solar energy. IOCL which owns 24,000 of the 50,000-odd petrol pumps in the country would increase the number of solar-powered petrol pumps from 2,000 to 10,000 in the forecast. The objective of the report is to present a comprehensive analysis of the India Solar Powered Petrol Pump Market including all the stakeholders of the industry. The past and current status of the industry with forecasted market size and trends are presented in the report with the analysis of complicated data in simple language. The report covers all the aspects of the industry with a dedicated study of key players that

includes market leaders, followers and new entrants by Application. PORTER, SVOR, PESTEL analysis with the potential impact of micro-economic factors by Application on the market have been presented in the report. External as well as internal factors that are supposed to affect the business positively or negatively have been analyzed, which will give a clear innovative view of the industry to the decision-makers. The report also helps in understanding India Solar Powered Petrol Pump Market dynamics, structure by analyzing the market segments and project the India Solar Powered Petrol Pump Market size. Clear representation of competitive analysis of key players by Type, price, financial position, Product portfolio, growth strategies, and regional presence in the India Solar Powered Petrol Pump Market make the report investor's guide.

2.4 Current Scenario

Global Scenario

- Projected global oil consumption is expected to register a substantial growth over the present levels. Recently published energy reports project incremental demand of about 38 million tubs per day (mbpd) in 2030 over 80 mbpd level in 2003. Most of this incremental demand will originate from developing countries including China and India where oil consumption is expected to grow at the rate of 3.8 and 2.4 percent respectively as against the world average of 1.4 percent. Non-OPEC (Organisation of Petroleum Exporting Countries) production, though showing an upward trend, will not be sufficient to service this incremental demand emphasising, once again, the continued dependence of the world on OPEC oil for its energy requirements.
- High oil and gas prices have prompted increased investments in the exploration and production (E&P) sector posing new challenges for the sector in the form of increased cost of operations due to high service costs, exposure to logistically difficult land and shortage of technical manpower. Global refining scenario indicates very little to small addition in capacities in major developed consuming markets like the USA and the European countries. Developing countries like the Middle East, China and India are fast emerging as refining centers. Needless to say that capacity increase in these regions would also result into possible integration of both the refining and petrochemicals business
- Natural gas has been rightly termed as the fuel of the 21st century. Natural gas, the third largest contributor to the global energy basket, is projected to increase at a rate faster than any other energy source. In the global context, natural gas market era has truly begun during the last 5 years. The global gas markets are fast integrating, commercial models are undergoing rapid changes, and the market structures are evolving and fast changing. Leading this growth in global gas sector are the Asian markets with special investment focus on countries like China and India.

- It is indeed difficult to predict what will happen to oil prices over a five year period but current assessments indicate that oil prices will remain high. This will exert downward pressure on the economy, both directly and also through their impact on world economic growth. Currently, the impact of high oil prices on the world economy has somewhat been offset because the industrialised countries have adjusted to these higher oil prices. Sustained conditions of high oil prices, however, will eventually create macro-imbalances in the world economy making it vulnerable to any future 'oil shock. Simulations with macro-models suggest that if oil prices increase sharply in future, growth rate could be compromised by between 0.5 and 1.0 percentage points below the levels projected with present levels of oil prices.
- Oil companies have responded to the price failure by announcing large cuts to their spending on new production. The initial reductions are in the 20%-to-35% range compared with investments they had previously outlined for 2020.
- The last few years have seen a major ramp-up in investment in the refining sector and more than 2 million barrels a day of new refining capacity came on line in 2019 alone. Now, demand for oil products has collapsed, and the bottom has dropped out of the market.
- In normal times, low crude oil prices are not necessarily bad news for refiners. However, the plunge in demand really squeezes refinery margins and volumes. This has dashed hopes among refiners of securing near-term benefits from changes in consumption, such as the anticipated boost in diesel demand arising from the new environmental regulations for the shipping industry from the International Maritime Organization.
- Oil majors and independent refiners are already taking a hard look at planned investments and divestments. Many will re-evaluate their existing portfolios, possibly leading to another wave of refinery closures. This would accelerate the restructuring of the global

refining industry towards regions benefitting either from cheaper inputs, such as the Middle East, or close to still-growing demand, such as in developing countries in Asia.



Indian Scenario

- India is and shall remain heavily dependent on coal for about half of its primary commercial energy requirements with the other half being dominated by oil and gas put together. The Indian hydrocarbon industry is currently passing through a challenging phase. Increasing concern for energy security, increasingly strict environmental regulations, emergence of natural gas and soaring crude oil and natural gas prices have thrown up both challenges and opportunities to the Indian oil and gas industry.
- Projected high domestic demand for petroleum products is expected to push investments into the refining sector. India, with 18 plants, currently has a surplus refining capacity which has placed India amongst net petroleum product exporter countries. Increasingly strict fuel specifications have put pressure on the old and non-compliant refineries to upgrade their plant configurations to produce compliant fuels. The Government is seriously considering promoting India as a competitive refining destination to service

export market for petroleum products as also integrating it with the petrochemical and chemicals businesses to produce and export higher revenue generating value added products.

- Exceptionally high crude oil prices in the international market and an almost still domestic crude oil production has caused a drain on country's foreign exchange reserves. The Government is committed to justifying these challenges and has, in fact, met with accelerated domestic exploration through its New Exploration Licensing Policy (NELP) policy initiative. Some of the world class oil discoveries have recently been reported from blocks offered under the NELP government. Five NELP rounds have resulted into 110 PSCs being signed and the Sixth round offering 55 exploration blocks is still underway. Besides augmenting domestic reserves, India has successfully ventured overseas to acquire oil and gas assets and entered into long-term Liquefied Natural Gas (LNG) contracts as measures for enhancing energy security.
- Creating sustainable transportation system through cross-country crude oil and petroleum product pipelines in the next few decades, with the objective of preserving environment and protecting human health and safety would be a real challenge for the petroleum industry.
- Persistence of high oil prices and dependence on imported oil leaves India with some difficult choices to make. The choice is between (a) passing on the price increase to the consumer; (b) rationalising taxes and other taxes on petroleum products; and (c) making the National Oil Companies (NOCs) bear the burden. Although the Government has resorted to a combination of all above three options in the past, each of these options has its own drawbacks. In the long run, the only feasible policy to deal with high international oil prices is to rationalise the tax burden on oil products over time, remove irregularity, if any, in the existing pricing mechanism, realize efficiency gains through competition at the plant gate and retail prices of petroleum products, and pass on the rest of the international

oil price increase to consumers, while compensating targeted groups below the poverty line as much as possible.

- The three public sector oil marketing firms –Indian oil corp (IOC), Bharat Petroleum Corp Ltd (BPCL) and Hindustan Petroleum Corp Ltd (HPCL) - in November last year advertised to open 78,493 more petrol pumps in the country. This on top of 64,624 fuel retail outlets currently operating in the country.
- As the addition of pumps will also be followed by closures where throughputs are not at sustainable levels, private players are expected to effectively add 7,500-8,000 petrol pumps till fiscal 2030, based on their plans and the pump licenses they hold.
- "The analysis shows that the economics do not support the addition of 78,000+ petrol pumps. CRISIL Research is of the opinion that there is only room for less than half, i e about 30,000 fuel pumps, if the pumps are to maintain current throughput levels,"

We expect diesel demand substitution with liquefied natural gas (LNG) in the heavy vehicles segment as well, though development of the infrastructure for LNG fuelling stations has been extremely slow and there have been procedural delays. adding reducing a higher fuel demand growth trajectory is also the entry of electric vehicles.

2.5 Challenges & Solutions

1. Improperly sized and installed equipment

Pumps are often oversized for an application then operated in an unstable region of the centrifugal pump performance curve. Operating in these unstable regions of the pump curve can result in lower mean time between repair (MTBR) on the seal and bearings, as well as the turned and cast components. This is especially dominant in pumps with higher force specific speeds ($>11,000$ Nss), where the stability window on the curve is less forgiving. These factors can often be avoided by properly sizing the pump and configuring the pump package with a VFD. Operating in variable speed can 'right size' the pump performance curve to the current system variables. Having a pump supplier who knows pump hydraulics and who can evaluate the system head variables is essential to implanting a successful VFD system into a pump installation.

2. Improper installation and baseplate design

After the pump is chosen for an application the next step is to provide the best possible base for the pumping unit. This involves engineering the pump slips and the use of advanced baseplate design for the pump units. For the Blackmer rotary-vane packages, our engineers design and oversee the manufacturing of heavy duty baseplates with the same machined pads to ensure long trouble-free operation.

3. Pollution of lubrication leads to bearing failure

Bearing failure is the biggest cause of maintenance issues in pumping applications. Proper lubrication of the bearing is the simplest way to avoid it. Changing and maintaining an optimal environment for the lubrication liquid by investing in web or magnetic type bearing isolators, can provide great benefits on extending the machine life on oil-sump designs, and avoiding unexpected failures. Investments in oil-fog systems are often an efficient way of lubricating multiple pump assets within a consolidated production or process unit.

2.6 SWOT Analysis

One may think that they already know everything that they need to do, to succeed, but a SWOT analysis will force them to look at the business in new ways and from new directions.

SWOT Analysis is a strategic planning method used to evaluate strengths, weaknesses, opportunities, and threats, in a project business. These four factors are called SWOT (strengths, weaknesses, opportunities, and threats). This process involves the specific determination and objectives of a manufacturing or business project that identifies internal and external factors. SWOT analysis can be applied by analyzing and observing the things that affect the four factors, then apply them in the picture in the SWOT matrix, apply the strengths map to take advantage of the opportunities, how to overcome the weaknesses that prevent the advantages of opportunities are able to deal with the threats that exist, and the last is how to overcome the weaknesses that can make threats become real or create a new threat. Determining the direction of development of a business is strongly influenced by many factors, namely internal and external factors.

A SWOT analysis is an incredibly simple, yet powerful tool to help you develop your business strategy, whether you're building a start-up or guiding an existing company.

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats.

Strengths

- Strong distribution network – A trading business usually builds a reliable distribution network that can reach majority of its potential market. Hence, it can be categorized under the strengths of the business.
- Good Returns on Capital employment – Profit margins and working capital cycles in trading business are way much better than other capital intensive businesses and hence it can generate some good return on the capital investment.
- Strong Brand Portfolio – Every trading business is supported by the big FMCG or MNC firms and their commercial and goodwill in the business sector. Such brand portfolio can be extremely useful if the organization wants to expand into new product categories.
- Digitization has been helping most of the trading businesses in the automation of billing, automation of processes and other computer or technology driven things. It has brought down the cost and has helped in growth too.
- Local market connects and campaigns like ‘local for vocal’ works as a strength for the trading businesses and local entrepreneurs, so that a sustainable business growth can be achieved.

Weaknesses

- Financial planning is not done properly and efficiently. This is not the case in all the businesses but usually a cash crunch is sensed, due to poor handling of finances and improper working capital management.

- Sometimes, the business owners cannot tackle the challenges brought in by new entrants in the segment and lose their certain market share in the niche categories.
- High employee turnover ratio – Compared to other industries and/or business segments, usually a trading sector has been observed with the high employee turnover ratio. Availability of similar jobs elsewhere, turnover of unskilled labor forces and other such factors make the ratio high.
- Situations like COVID-19 pandemic or a prolonged curfew in certain localities does affect the business of trading, in every possible manner.
- Bad Debts is another weakness which is observed in every business segment, but trading business is exposed to the maximum risk or uncertainty due to this issue of unpaid debtors.

Opportunities

- Economic uptick and increase in customer spending, after years of recession and slow growth rate in the industry, is an opportunity. Also, present times post COVID pandemic is an opportunity for every trading business to stretch it's limits and fulfill maximum demand.
- Decreasing cost of transportation because of lower fuel prices (air) or due to new modes of transportation such as 'water ways' can open up new opportunities for this segment in the mid-term.

- Constant market development will lead to dilution of competitor's advantage and enable the business owners to increase its competitiveness compared to the other competitors.

Threats

- Imitation of the counterfeit and low-quality product is a threat for every trading business and it is difficult to counter this threat as it is unending and repetitive.
- Changing consumer buying behavior from online channel could be a threat to the existing physical infrastructure driven supply chain model.
- The demand of highly profitable products is sometimes seasonal in nature and any unlikely event during the peak season may impact the profitability of the business in short to medium term.
- Shortage of skilled workforce in certain market represents a threat to steady growth of profits.
- Intense competition – Stable profitability has increased the number of players in the industry over last five years which has put downward pressure on not only profitability but also on overall sales.

SUMMARY OF FUNDING FACILITY

COST OF PROJECT

Rs in lakhs

Particulars	Amount Rs.
Asset Addition	110.00
Working Capital Requirement	0.00
Total	110.00

SOURCES OF FUND

Rs in lakhs

Particulars	Amount Rs.
Term Loan	82.50
Cash Credit	0.00
Own Contribution	27.50
Total	110.00

PROJECTED BALANCE SHEET

rupees in lakhs

Particulars	Audited	Tentative	Projected				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<u>I</u> LIABILITIES							
<u>A</u> DEBT LIABILITIES							
Secured Loans (excluding installments for 1 year)	18.58	18.93	57.72	41.72	24.21	-	-
Existing Loans (if any)	-	-	-	-	-	-	-
Total Secured Loans	18.58	18.93	57.72	41.72	24.21	-	-
Unsecured Loans	-	-	-	-	-	-	-
Total Unsecured Loans	-	-	-	-	-	-	-
A. Total Outside Liabilities	18.58	18.93	57.72	41.72	24.21	-	-
<u>B</u> CURRENT LIABILITIES							
Cash Credit / OD / DLOD	-	-	-	-	-	-	-
Sundry Creditors	-	-	15.13	15.22	16.18	17.31	18.52
Provisions	-	-	1.82	-	-	-	-
Short Term Borrowings from Banks/Others (up	-	-	14.63	16.01	17.51	24.21	-
Advance Payment from Customer/s	-	-	-	-	-	-	-
Creditors for Capital Goods	-	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-	-
B. Total Current Liabilities	-	-	31.58	31.22	33.68	41.52	18.52
TOTAL OUTSIDE LIABILITIES(A+B)	18.58	18.93	89.30	72.94	57.89	41.52	18.52
<u>NET WORTH</u>							
Capital Balance							
Opening Balace / Share Capital (incl. Reserves)	62.74	67.79	68.72	112.38	128.74	150.88	175.62
Own Contribution for Business	-	-	27.50	-	-	-	-
Surplus (+) or deficit (-) in P&L Account	5.05	9.93	19.05	19.45	25.45	28.28	32.50
Drawings	-	-	(2.89)	(3.09)	(3.31)	(3.54)	(3.79)
Any other item (+)/(-)	-	(9.00)	-	-	-	-	-
SUB TOTAL	67.79	68.72	112.38	128.74	150.88	175.62	204.33
TOTAL LIABILITIES	86.37	87.65	201.68	201.68	208.78	217.14	222.85

PROJECTED BALANCE SHEET

rupees in lakhs

Particulars	Audited	Tentative	Projected				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<u>II ASSETS</u>							
<u>CURRENT ASSETS</u>			-	-	-	-	-
Cash & Bank	0.49	1.72	4.02	9.01	20.17	30.24	31.25
Stock in hand	-	-	15.78	15.87	16.87	18.05	19.32
Sundry Debtors & Receivables	-	4.25	10.68	16.61	17.78	22.19	30.53
Advances to Staff or Creditors	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Security Deposit & TDS, Taxes (Advance, etc.)	-	-	-	-	-	-	-
Export & Other Receivables	-	-	-	-	-	-	-
Other Current Assets (Mandap Stock)	8.80	12.80	-	-	-	-	-
TOTAL CURRENT ASSETS	9.29	18.77	30.47	41.49	54.82	70.48	81.09
<u>INVESTMENTS</u>	0.17	0.17	5.00	5.00	8.50	9.80	12.50
<u>OTHER NON-CURRENT ASSETS</u>	-	-	-	-	-	-	-
<u>FIXED ASSETS</u>							
GROSS BLOCK	90.48	76.91	68.71	166.21	155.19	145.45	136.86
Addition :	-	-	110.00	-	-	-	-
Less : Depreciation	13.57	8.20	12.50	11.03	9.73	8.60	7.60
NET BLOCK	76.91	68.71	166.21	155.19	145.45	136.86	129.26
TOTAL ASSETS	86.37	87.65	201.68	201.68	208.78	217.14	222.85

PROJECTED OPERATING STATEMENT

rupees in lakhs

Particulars	Audited	Tentative	Projected				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
1. GROSS INCOME							
Domestic Revenue	9.91	19.86	185.60	202.14	216.29	231.43	247.63
Export Revenue	-	-	-	-	-	-	-
Less : GST / Other Duties / Return	-	-	-	-	-	-	-
SUB TOTAL	9.91	19.86	185.60	202.14	216.29	231.43	247.63
2. COST OF SALES							
Opening Stock	-	-	-	15.78	15.87	16.87	18.05
Purchases (+)	3.83	7.92	157.76	158.68	168.71	180.52	193.15
Direct Labour (Wages) (+)	0.02	0.50	1.67	1.82	1.95	2.08	2.23
Power & Fuel (+)	-	-	-	-	-	-	-
Other prime costs (+)	-	-	-	-	-	-	-
Closing Stock (-)	-	-	15.78	15.87	16.87	18.05	19.32
SUB TOTAL	3.85	8.42	143.65	160.41	169.65	181.42	194.12
<i>Gross Profit %</i>	61.15%	57.60%	22.60%	20.65%	21.56%	21.61%	21.61%
3. INDIRECT COSTS	1.01	1.51	1.61	1.73	1.80	1.90	2.02
OPERATING PROFIT	5.05	9.93	40.34	40.00	44.84	48.11	51.50
Non Operating Income	-	-	-	-	-	-	-
Interest and Financial Charges							
Cash Credit	-	-	-	-	-	-	-
Term Loan	-	-	5.27	5.92	4.55	3.04	1.40
Any Existing Funding Facility (TL)	-	-	-	-	-	-	-
Any Existing Funding Facility (other than TL)	-	-	-	-	-	-	-
Depreciation	-	-	12.50	11.03	9.73	8.60	7.60
NET PROFIT BEFORE TAX	5.05	9.93	22.57	23.06	30.56	36.47	42.50
<i>Net Profit %</i>	50.96%	50.00%	12.16%	11.41%	14.13%	15.76%	17.16%
Provision for Income Tax	-	-	3.51	3.61	5.11	8.19	10.00
PROFIT AFTER TAX (PAT)	5.05	9.93	19.05	19.45	25.45	28.28	32.50

FIXED ASSETS ANNEXURE

1 Computers

Rate Of Depreciation

40%

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 3	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 5	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 6	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 7	0.00	0.00	0.00	0.00	0.00	0.00	0.00

2 Electrification & Capital Expenditure

Rate Of Depreciation

15%

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	0.00	30.00	0.00	0.00	30.00	4.50	25.50
Year 2	25.50	0.00	0.00	0.00	25.50	3.83	21.68
Year 3	21.68	0.00	0.00	0.00	21.68	3.25	18.42
Year 4	18.42	0.00	0.00	0.00	18.42	2.76	15.66
Year 5	15.66	0.00	0.00	0.00	15.66	2.35	13.31
Year 6	13.31	0.00	0.00	0.00	13.31	2.00	11.31
Year 7	11.31	0.00	0.00	0.00	11.31	1.70	9.62

3 Petrol Pump Building & Construction

Rate Of Depreciation

10%

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	0.00	80.00	0.00	0.00	80.00	8.00	72.00
Year 2	72.00	0.00	0.00	0.00	72.00	7.20	64.80
Year 3	64.80	0.00	0.00	0.00	64.80	6.48	58.32
Year 4	58.32	0.00	0.00	0.00	58.32	5.83	52.49
Year 5	52.49	0.00	0.00	0.00	52.49	5.25	47.24
Year 6	47.24	0.00	0.00	0.00	47.24	4.72	42.52
Year 7	42.52	0.00	0.00	0.00	42.52	4.25	38.26

4 Furniture & Fixtures

Rate Of Depreciation

10%

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 3	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 5	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 6	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 7	0.00	0.00	0.00	0.00	0.00	0.00	0.00

FIXED ASSETS ANNEXURE

5 Plots & Land

Rate Of Depreciation

0%

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	68.71	0.00	0.00	0.00	68.71	0.00	68.71
Year 2	68.71	0.00	0.00	0.00	68.71	0.00	68.71
Year 3	68.71	0.00	0.00	0.00	68.71	0.00	68.71
Year 4	68.71	0.00	0.00	0.00	68.71	0.00	68.71
Year 5	68.71	0.00	0.00	0.00	68.71	0.00	68.71
Year 6	68.71	0.00	0.00	0.00	68.71	0.00	68.71
Year 7	68.71	0.00	0.00	0.00	68.71	0.00	68.71

6 Building & Civil Works

Rate Of Depreciation

10%

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 3	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 5	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 6	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 7	0.00	0.00	0.00	0.00	0.00	0.00	0.00

7 Transport Vehicles & Other Assets

Rate Of Depreciation

15%

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 3	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 5	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 6	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 7	0.00	0.00	0.00	0.00	0.00	0.00	0.00

SUMMARY

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	68.71	110.00	0.00	0.00	178.71	12.50	166.21
Year 2	166.21	0.00	0.00	0.00	166.21	11.03	155.19
Year 3	155.19	0.00	0.00	0.00	155.19	9.73	145.45
Year 4	145.45	0.00	0.00	0.00	145.45	8.60	136.86
Year 5	136.86	0.00	0.00	0.00	136.86	7.60	129.26
Year 6	129.26	0.00	0.00	0.00	129.26	6.72	122.54
Year 7	122.54	0.00	0.00	0.00	122.54	5.95	116.59

INDIRECT EXPENSES ANNEXURE

rupees in lakhs

Sn.	Particulars	Projected				
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
1	Accounting & Audit	-	-	-	-	-
2	Bank Charges	0.12	0.13	0.13	0.14	0.15
3	Electricity Expenses	0.21	0.22	0.24	0.25	0.27
4	Rent	0.54	0.59	0.59	0.62	0.65
5	Telephone Expenses	0.17	0.18	0.19	0.20	0.21
6	Printing & Stationery		-	-	-	-
7	Professional Fees		-	-	-	-
8	Salaries		-	-	-	-
9	Fuel & Travelling Expenses	0.57	0.61	0.65	0.70	0.75
10	Repairs & Maintenance		-	-	-	-
	TOTAL	1.61	1.73	1.80	1.90	2.02

PROJECTED CASH FLOW STATEMENT

rupees in lakhs

Sr No	Particulars	Projections				
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
A	CASH FLOW FROM OPERATING ACTIVITIES					
	Net Profit Before Tax	22.57	23.06	30.56	36.47	42.50
	Adjustments for:					
	Depreciation	12.50	11.03	9.73	8.60	7.60
	Interest & Finance Charges debited to Profit & Loss Account	5.27	5.92	4.55	3.04	1.40
	Operating Profit before Working Capital Changes	40.34	40.00	44.84	48.11	51.50
	Adjustments for:					
	Decrease/(Increase) in Receivables	(6.43)	(5.94)	(1.16)	(4.41)	(8.34)
	Decrease/(Increase) in Inventories	(15.78)	(0.09)	(1.00)	(1.18)	(1.26)
	Decrease/(Increase) in Other asset	-	-	-	-	-
	Decrease/(Increase) in Other receivables	-	-	-	-	-
	Decrease/(Increase) in Advance Tax Payments	12.80	-	-	-	-
	Increase/(Decrease) in Payables	16.94	(1.73)	0.96	1.13	1.21
	Increase/(Decrease) in Short Term Borrowings	14.63	1.37	1.50	6.70	(24.21)
	Increase/(Decrease) in Capital Goods creditors & others	-	-	-	-	-
	Cash generated from operations	62.51	33.62	45.14	50.35	18.90
	Income Tax paid	(3.51)	(3.61)	(5.11)	(8.19)	(10.00)
	Net Cash flow from Operating activities	58.99	30.01	40.03	42.16	8.90
B	CASH FLOW FROM INVESTING ACTIVITIES					
	Cash Credit	-	-	-	-	-
	Own Contribution for Business	27.50	-	-	-	-
	Purchase of Assets	(110.00)	-	-	-	-
	Loan and Advances	-	-	-	-	-
	Investments & Other Assets	(4.83)	-	(3.50)	(1.30)	(2.70)
	Net Cash used in Investing activities	(87.33)	-	(3.50)	(1.30)	(2.70)

PROJECTED CASH FLOW STATEMENT

rupees in lakhs

Sr No	Particulars	Projections				
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
C	CASH FLOW FROM FINANCING ACTIVITIES					
	Loan Disbursement / Repayment	38.79	(16.01)	(17.51)	(24.21)	-
	Drawings by Proprietor	(2.89)	(3.09)	(3.31)	(3.54)	(3.79)
	Interest paid for Cash Credit Limit	-	-	-	-	-
	Interest paid for Term Loan Limit	(5.27)	(5.92)	(4.55)	(3.04)	(1.40)
	Increase/(Decrease) in Capital Account Items	-	-	-	-	-
	Increase/(Decrease) in Contingent Liabilities	-	-	-	-	-
	Unsecured Loans & Quasi Capital	-	-	-	-	-
	Net Cash used in Financing Activities	30.63	(25.02)	(25.36)	(30.79)	(5.19)
	Net increase in cash & Cash Equivalents	2.30	4.99	11.16	10.06	1.01
	Cash and Cash equivalents as at the beginning of the year	1.72	4.02	9.01	20.17	30.24
	Cash and Cash equivalents as at the end of the year	4.02	9.01	20.17	30.24	31.25
	Net increase in cash & Cash Equivalents	2.30	4.99	11.16	10.06	1.01

SYNOPSIS OF BALANCE SHEET

rupees in lakhs

Particulars	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Source of Funds					
Share capital	112.38	128.74	150.88	175.62	204.33
Reserves & surplus / any other item	-	-	-	-	-
Secured loans : Short term	-	-	-	-	-
: Long term	57.72	41.72	24.21	-	-
Unsecured loans	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total	170.11	170.46	175.09	175.62	204.33
Uses of Funds					
Fixed assets (Gross Block)	178.71	166.21	155.19	145.45	136.86
Less : Depreciation	12.50	11.03	9.73	8.60	7.60
Net block	166.21	155.19	145.45	136.86	129.26
Investments & Other Assets	5.00	5.00	8.50	9.80	12.50
Inventories	15.78	15.87	16.87	18.05	19.32
Sundry Debtors	10.68	16.61	17.78	22.19	30.53
Cash & Bank balances	4.02	9.01	20.17	30.24	31.25
Loans & advances to others	-	-	-	-	-
Other Current Assets	-	-	-	-	-
(Less current liabilities)	(29.76)	(31.22)	(33.68)	(41.52)	(18.52)
(Less provisions)	(1.82)	-	-	-	-
NET CURRENT ASSETS	3.90	15.27	29.64	38.76	75.07
Misc. expenditure (to the extent not written off or adjusted	-	-	-	-	-
Total	170.11	170.46	175.09	175.62	204.33

DEBT SERVICE COVERAGE RATIO ANALYSIS

PARTICULARS	Projections				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Net Profit After Interest & Tax	19.05	19.45	25.45	28.28	32.50
(+) Depreciation	12.50	11.03	9.73	8.60	7.60
(+) Bank Interest	5.27	5.92	4.55	3.04	1.40
Net Cash Inflow	36.82	36.39	39.73	39.92	41.50
Bank Interest	5.27	5.92	4.55	3.04	1.40
Principal Repayment of Installment	10.14	14.63	16.01	17.51	24.21
Net Cash Outflow	15.41	20.55	20.55	20.55	25.61
Debt Service Coverage Ratio	2.39	1.77	1.93	1.94	1.62

FINANCIALS INDICATORS

Sr. No.	PARTICULARS	Projections				
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
1	SALES(a)	185.60	202.14	216.29	231.43	247.63
2	OTHER INCOME(b)	0.00	0.00	0.00	0.00	0.00
3	TOTAL INCOME (a+b)	185.60	202.14	216.29	231.43	247.63
4	OPERATING PROFIT	40.34	40.00	44.84	48.11	51.50
5	NET PROFIT	19.05	19.45	25.45	28.28	32.50
6	CASH PROFIT	31.55	30.47	35.18	36.87	40.10
7	OPEARATING PROFIT MARGIN(%)	21.73%	19.79%	20.73%	20.79%	20.80%
8	NET PROFIT MARGIN (%)	10.27%	9.62%	11.77%	12.22%	13.12%
9	CASH PROFIT TO SALES	17.00%	15.07%	16.27%	15.93%	16.19%
10	QUASSI CAPITAL (UNSECURED LOANS)	0.00	0.00	0.00	0.00	0.00
11	CAPITAL	112.38	128.74	150.88	175.62	204.33
12	NET WORTH	112.38	128.74	150.88	175.62	204.33
13	TOTAL OUTSIDE LIABILITIES	16.94	15.22	16.18	17.31	18.52
14	CURRENT RATIO	0.97	1.33	1.63	1.70	4.38
15	QUICK RATIO	0.47	0.82	1.13	1.26	3.34
16	DEBTORS TURNOVER RATIO	17.38	12.17	12.17	10.43	8.11
17	CREDITORS TURNOVER RATIO	N.A.	N.A.	N.A.	N.A.	N.A.
18	FIXED ASSET TURNOVER RATIO	1.12	1.30	1.49	1.69	1.92
19	SALES TO CAPITAL EMPLOYED	-168.18	19.68	10.23	7.99	3.96
20	FIXED ASSETS TO NET WORTH	1.48	1.21	0.96	0.78	0.63
21	CREDITORS NO. OF DAYS PURCHASES	35.00	35.00	35.00	35.00	35.00
22	RECEIVABLES NO. OF DAYS SALES	21.00	30.00	30.00	35.00	45.00
23	STOCK NO. OF DAYS SALES	31.03	28.65	28.47	28.47	28.47
24	TOL/TNW	0.15	0.12	0.11	0.10	0.09
25	DEBT MANAGEMENT RATIO	28.62%	20.69%	11.60%	0.00%	0.00%
26	INTEREST COVERAGE	5.28	4.90	7.72	12.98	31.32
27	PROPRIETARY RATIO	0.56	0.64	0.72	0.81	0.92
28	CASH FLOW YIELD	157.49%	205.82%	165.64%	31.47%	337.28%
29	CASH FLOW TO ASSETS	14.88%	19.85%	20.19%	4.10%	49.19%

CURRENT RATIO

PARTICULARS	Projections				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
CURRENT ASSETS					
Cash & Bank	4.02	9.01	20.17	30.24	31.25
Stock in hand	15.78	15.87	16.87	18.05	19.32
Sundry Debtors	10.68	16.61	17.78	22.19	30.53
Advances	-	-	-	-	-
Deposits	-	-	-	-	-
Security Deposit & TDS, Taxes (Advance, etc.)	-	-	-	-	-
Other Current Assets (Mandap Stock)	-	-	-	-	-
TOTAL CURRENT ASSETS	30.47	41.49	54.82	70.48	81.09
CURRENT LIABILITIES					
Cash Credit	-	-	-	-	-
Sundry Creditors	15.13	15.22	16.18	17.31	18.52
Provisions	1.82	-	-	-	-
Other Current Liabilities	14.63	16.01	17.51	24.21	-
TOTAL CURRENT LIABILITIES	31.58	31.22	33.68	41.52	18.52
CURRENT RATIO	0.97	1.33	1.63	1.70	4.38

SENSITIVITY ANALYSIS

rupees in lakhs

I. REVENUE GROWTH OF 5%

PARTICULARS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected revenue	185.60	202.14	216.29	231.43	247.63
% Change	5%	5%	5%	5%	5%
Growth	9.28	10.11	10.81	11.57	12.38
Change					
Cost of Goods sold	143.65	160.41	169.65	181.42	194.12
Indirect Costs	1.61	1.73	1.80	1.90	2.02
Interest, Depreciation	17.77	16.94	14.28	11.64	9.00
EBT	22.57	23.06	30.56	36.47	42.50
Updated EBT	31.85	23.11	30.61	36.52	42.55
Impact on EBT	9.28	0.05	0.05	0.05	0.05

II. REVENUE REDUCTION OF (-)5%

PARTICULARS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected revenue	185.60	202.14	216.29	231.43	247.63
% Change	5%	5%	5%	5%	5%
Updated Revenue	176.32	192.03	205.48	219.86	235.25
Change					
Cost of Goods sold	143.65	160.41	169.65	181.42	194.12
Indirect Costs	1.61	1.73	1.80	1.90	2.02
Interest, Depreciation	17.77	16.94	14.28	11.64	9.00
EBT	22.57	23.06	30.56	36.47	42.50
Updated EBT	13.29	12.95	19.75	24.90	30.12
Impact on EBT	(9.28)	(10.11)	(10.81)	(11.57)	(12.38)

III. INCREASE IN COGS BY 5%

rupees in lakhs

PARTICULARS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected revenue	185.60	202.14	216.29	231.43	247.63
Cost of Goods sold	143.65	160.41	169.65	181.42	194.12
% Change	5%	5%	5%	5%	5%
Increase	7.18	8.02	8.48	9.07	9.71
Updated COGS	150.84	168.43	178.13	190.49	203.82
Indirect Costs	1.61	1.73	1.80	1.90	2.02
Interest, Depreciation	17.77	16.94	14.28	11.64	9.00
EBT	22.57	23.06	30.56	36.47	42.50
Updated EBT	15.38	15.04	22.08	27.40	32.79
Impact on EBT	(7.18)	(8.02)	(8.48)	(9.07)	(9.71)

BREAK EVEN ANALYSIS

rupees in lakhs

Sr. No.	Particulars	Weightage	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
(A)	Gross Revenue		19.86	185.60	202.14	216.29	231.43	247.63
(B)	Variable Expenses							
	Purchases	100%	7.92	157.76	158.68	168.71	180.52	193.15
	Direct Labour (Wages)	75%	0.38	1.25	1.36	1.46	1.56	1.67
	Power & Fuel	65%	0.00	0.00	0.00	0.00	0.00	0.00
	Other prime costs	60%	0.00	0.00	0.00	0.00	0.00	0.00
	Difference in Stock	100%	0.00	-15.78	-0.09	-1.00	-1.18	-1.26
	Total Variable expenses		8.30	143.24	159.95	169.16	180.90	193.56
			8.42					
(C)	Contribution (A - B)		11.57	42.36	42.19	47.13	50.53	54.07
	Contribution (%)		58.23%	22.83%	20.87%	21.79%	21.84%	21.84%
(D)	Fixed & Semi-fixed Expenses							
	Administration Costs	70%	0.00	0.08	0.09	0.09	0.10	0.10
	Rent	100%	0.00	0.54	0.59	0.59	0.62	0.65
	Insurance	100%	0.00	0.21	0.22	0.24	0.25	0.27
	Property Taxes	100%	0.00	0.00	0.00	0.00	0.00	0.00
	Other Fixed Costs		0.00	0.00	0.00	0.00	0.00	0.00
	Total Fixed & Semi-fixed Expenses		0.00	0.83	0.90	0.92	0.97	1.02
(E)	Operating profit (C - D)		11.57	41.53	41.28	46.21	49.57	53.05
(F)	Break-even point		0.00%	1.97%	2.14%	1.95%	1.91%	1.88%

SECURITY MARGIN

Sr. No.	PARTICULARS	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
A	WDV OF FIXED ASSETS	68.71	166.21	155.19	145.45	136.86	129.26
B	AGGREGATE TL OUTSTANDINGS	18.93	57.72	41.72	24.21	0.00	0.00
C	SECURITY MARGIN	49.78	108.49	113.47	121.24	136.86	129.26
	PERCENTAGE OF MARGIN	72.45%	65.27%	73.12%	83.36%	100.00%	100.00%

SUMMARY OF LOAN REPAYMENT SCHEDULE

Interest Rate

9.00% p.a

Particulars	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Principal at the beginning of the year	0.00	72.36	57.72	41.72	24.21
Add :- Disbursement	82.50	0.00	0.00	0.00	0.00
Add :- Interest	5.27	5.92	4.55	3.04	1.40
Less :- Repayment During the year	15.41	20.55	20.55	20.55	25.61
Principal at the end of the year	72.36	57.72	41.72	24.21	0.00

Detailed working of Term Loan from Bank

rupees in lakhs

Month	Opening Balance	Disbursement	Monthly Interest	Monthly Installement	Closing Balance
REPAYMENT					
Year I - Month 1					
Month 2					
Month 3					
Month 4	-	82.50	0.62	1.71	81.41
Month 5	81.41	-	0.61	1.71	80.30
Month 6	80.30	-	0.60	1.71	79.19
Month 7	79.19	-	0.59	1.71	78.08
Month 8	78.08	-	0.59	1.71	76.95
Month 9	76.95	-	0.58	1.71	75.81
Month 10	75.81	-	0.57	1.71	74.67
Month 11	74.67	-	0.56	1.71	73.52
Month 12	73.52	-	0.55	1.71	72.36
		82.50	5.27	15.41	
Year II - Month 1	72.36	-	0.54	1.71	71.19
Month 2	71.19	-	0.53	1.71	70.01
Month 3	70.01	-	0.53	1.71	68.82
Month 4	68.82	-	0.52	1.71	67.62
Month 5	67.62	-	0.51	1.71	66.42
Month 6	66.42	-	0.50	1.71	65.20
Month 7	65.20	-	0.49	1.71	63.98
Month 8	63.98	-	0.48	1.71	62.75
Month 9	62.75	-	0.47	1.71	61.50
Month 10	61.50	-	0.46	1.71	60.25
Month 11	60.25	-	0.45	1.71	58.99
Month 12	58.99	-	0.44	1.71	57.72
			5.92	20.55	
Year III - Month 1	57.72	-	0.43	1.71	56.44
Month 2	56.44	-	0.42	1.71	55.15
Month 3	55.15	-	0.41	1.71	53.85
Month 4	53.85	-	0.40	1.71	52.55
Month 5	52.55	-	0.39	1.71	51.23
Month 6	51.23	-	0.38	1.71	49.90
Month 7	49.90	-	0.37	1.71	48.56
Month 8	48.56	-	0.36	1.71	47.21
Month 9	47.21	-	0.35	1.71	45.85
Month 10	45.85	-	0.34	1.71	44.49
Month 11	44.49	-	0.33	1.71	43.11
Month 12	43.11	-	0.32	1.71	41.72
			4.55	20.55	

Year IV - Month 1	41.72	-	0.31	1.71	40.32
Month 2	40.32	-	0.30	1.71	38.91
Month 3	38.91	-	0.29	1.71	37.49
Month 4	37.49	-	0.28	1.71	36.06
Month 5	36.06	-	0.27	1.71	34.61
Month 6	34.61	-	0.26	1.71	33.16
Month 7	33.16	-	0.25	1.71	31.70
Month 8	31.70	-	0.24	1.71	30.22
Month 9	30.22	-	0.23	1.71	28.74
Month 10	28.74	-	0.22	1.71	27.24
Month 11	27.24	-	0.20	1.71	25.73
Month 12	25.73	-	0.19	1.71	24.21
			3.04	20.55	
Year V - Month 1	24.21	-	0.18	1.71	22.68
Month 2	22.68	-	0.17	1.71	21.14
Month 3	21.14	-	0.16	1.71	19.58
Month 4	19.58	-	0.15	1.71	18.02
Month 5	18.02	-	0.14	1.71	16.44
Month 6	16.44	-	0.12	1.71	14.85
Month 7	14.85	-	0.11	1.71	13.25
Month 8	13.25	-	0.10	1.71	11.64
Month 9	11.64	-	0.09	1.71	10.01
Month 10	10.01	-	0.08	1.71	8.37
Month 11	8.37	-	0.06	1.71	6.72
Month 12	6.72	-	0.05	6.77	-
			1.40	25.61	

Credit Monitoring Arrangement (CMA)

rupees in lakhs

LIABILITIES	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
Capital	112.38	128.74	150.88	175.62	204.33
Net Worth	112.38	128.74	150.88	175.62	204.33
Term Loans	57.72	41.72	24.21	0.00	0.00
Unsecured Loans	0.00	0.00	0.00	0.00	0.00
Other Term Liabilities	0.00	0.00	0.00	0.00	0.00
Total Term Liabilities	57.72	41.72	24.21	0.00	0.00
Sundry Creditors	15.13	15.22	16.18	17.31	18.52
Bank Borrowings-CC	0.00	0.00	0.00	0.00	0.00
Provision	1.82	0.00	0.00	0.00	0.00
Other Current Liabilities	14.63	16.01	17.51	24.21	0.00
other advances	0.00	0.00	0.00	0.00	0.00
Total Current Liabilities	31.58	31.22	33.68	41.52	18.52
Total Outside Liabilities	89.30	72.94	57.89	41.52	18.52
Total Liabilities	201.68	201.68	208.78	217.14	222.85

ASSETS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
Fixed Assets	178.71	166.21	155.19	145.45	136.86
Depreciation	12.50	11.03	9.73	8.60	7.60
Net Block	166.21	155.19	145.45	136.86	129.26
Cash & Bank Balance	4.02	9.01	20.17	30.24	31.25
advances to suppliers	0.00	0.00	0.00	0.00	0.00
Othr current assets	0.00	0.00	0.00	0.00	0.00
stock	15.78	15.87	16.87	18.05	19.32
investments	0.00	0.00	0.00	0.00	0.00
Receivables	10.68	16.61	17.78	22.19	30.53
Total Current Assets	30.47	41.49	54.82	70.48	81.09
Investments	5.00	5.00	8.50	9.80	12.50
Other Non Current Assets	0.00	0.00	0.00	0.00	0.00
Total Non Current Assets	5.00	5.00	8.50	9.80	12.50
Accumulated Losses	0.00	0.00	0.00	0.00	0.00
Other Intangible Assets	0.00	0.00	0.00	0.00	0.00
Total Intangible Assets	0.00	0.00	0.00	0.00	0.00
Total Assets	201.68	201.68	208.78	217.14	222.85
control total	0.00	0.00	0.00	0.00	0.00

WORKING CAPITAL CALCULATIONS

PARTICULARS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
Capital	112.38	128.74	150.88	175.62	204.33
Other Reserves					
P/L Account					
unsecured loans	0.00	0.00	0.00	0.00	0.00
Term Loans	57.72	41.72	24.21	0.00	0.00
Term Deposits	0.00	0.00	0.00	0.00	0.00
Other Term Liabilities	0.00	0.00	0.00	0.00	0.00
Long Term Sources	170.11	170.46	175.09	175.62	204.33
Net Fixed Assets	166.21	155.19	145.45	136.86	129.26
Investments	5.00	5.00	8.50	9.80	12.50
Other Non Current Assets	0.00	0.00	0.00	0.00	0.00
Adv to Suppliers of Cap Goods					
Intangible Assets	0.00	0.00	0.00	0.00	0.00
Long Term Uses	171.21	160.19	153.95	146.66	141.76
Net Working Capital	-1.10	10.27	21.14	28.96	62.57
CA-CL	-1.10	10.27	21.14	28.96	62.57
control total	0.00	0.00	0.00	0.00	0.00
NWC as % to TCA	-3.62	24.75	38.56	41.09	77.16

KEY FINANCIAL INDICATORS

PARTICULARS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
Net Sales	185.60	202.14	216.29	231.43	247.63
% increase	834.54	8.91	7.00	7.00	7.00
Net Profit after Tax	19.05	19.45	25.45	28.28	32.50
% to Sales	10.27	9.62	11.77	12.22	13.12
Cash Accruals	31.55	30.47	35.18	36.87	40.10
TNW	112.38	128.74	150.88	175.62	204.33
TOL/TNW	0.79	0.57	0.38	0.24	0.09
NWC	-1.10	10.27	21.14	28.96	62.57
Current Ratio	0.97	1.33	1.63	1.70	4.38
Net Sales	185.60	202.14	216.29	231.43	247.63
Net Profit	19.05	19.45	25.45	28.28	32.50
Depreciation	12.50	11.03	9.73	8.60	7.60

PARTICULARS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
Net Sales	185.60	202.14	216.29	231.43	247.63
Purchases	157.76	158.68	168.71	180.52	193.15
Sundry Creditors	15.13	15.22	16.18	17.31	18.52
CREDITORS NO. OF DAYS PURCH.	35.00	35.00	35.00	35.00	35.00
Receivables	10.68	16.61	17.78	22.19	30.53
RECEIVABLES NO. OF DAYS SALES	21.00	30.00	30.00	35.00	45.00
Stock	15.78	15.87	16.87	18.05	19.32
STOCK NO. OF DAYS SALES	31.03	28.65	28.47	28.47	28.47

Working Capital - Assessment

BASED ON TONDAN COMMITTEE - I

Method I (WCG)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
1. Total Current Assets	30.47	41.49	54.82	70.48	81.09
2. Other Current Liabilities	31.58	31.22	33.68	41.52	18.52
3. WCG	-1.10	10.27	21.14	28.96	62.57
4. 25 % Margin	-0.28	2.57	5.28	7.24	15.64
5. MPBF as per method I	-0.83	7.70	15.85	21.72	46.93

BASED ON TONDAN COMMITTEE - II

Method II (TCA)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
1. Total Current Assets	30.47	41.49	54.82	70.48	81.09
2. Other Current Liabilities	31.58	31.22	33.68	41.52	18.52
3. WCG	-1.10	10.27	21.14	28.96	62.57
4. 25 % Margin (TCA*25%)	7.62	10.37	13.71	17.62	20.27
5. MPBF as per method II	-8.72	-0.10	7.43	11.34	42.30

NAYAK COMMITTEE NORMS - TURNOVER METHOD

Turnover Method	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
1. Actual / Projected Sales	185.60	202.14	216.29	231.43	247.63
2. WCG - 25 % of sales	46.40	50.54	54.07	57.86	61.91
3. 5 % of sales as margin	9.28	10.11	10.81	11.57	12.38
4. Minimum permissible finance	37.12	40.43	43.26	46.29	49.53
(20% of turnover)					
5. Margin Money by Borrower	9.28	10.11	10.81	11.57	12.38
6. Actual/Projected NWC	-1.10	10.27	21.14	28.96	62.57

Particulars	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
Stock	15.78	15.87	16.87	18.05	19.32
(Days cost of production)	6774	7378	7895	8447	9039
Receivables	10.68	16.61	17.78	22.19	30.53
(Days sales)	21	30	30	35	45
Other Current assets	0.00	0.00	0.00	0.00	0.00
% to Total Current Assets	0.00	0.00	0.00	0.00	0.00
Loans and advances	0.00	0.00	0.00	0.00	0.00
holding period	0	0	0	0	0
Cash & bank balances	4.02	9.01	20.17	30.24	31.25
% to total Current Assets	13.18	21.71	36.80	42.90	38.53
Total Current Assets	30.47	41.49	54.82	70.48	81.09
Sundry Creditors	15.13	15.22	16.18	17.31	18.52
Days purchases	35	35	35	35	10
OCL – Provisions	12.82	16.01	17.51	24.21	0.00
% to TCL	N.A.	N.A.	N.A.	N.A.	N.A.
Total Current Liabilities	27.94	31.22	33.68	41.52	18.52

Notes to the Project Report

- a. Depreciation is calculated as per the rate prescribed in the Income Tax Act and Separate Depreciation schedule has been attached for calculation purpose.
- b. Data such as Sensativity Analysis & Balance Sheet synopsis has been prepared based on the standard financial assumptions and calculations.
- c. It has been presumed that there will be no change in the Government policies & rules with respect to the business of the loan applicant. Also, no abnormal events will take place during the life of the project / business,
- d. Provision for Income Tax has been made on the Rules and Regulations which are applicable for current scenario.
- e. Standard assumption of Year end at March has been presumed
- f. Indirect Expenses, Break Even Analysis and Security margin calculation have been shown in the separate Annexures.
- g. All the data related to revenue from business, asset addition, existing obligations, etc. have been provided based on the information given by the client.
- h. This Projected data is a future-oriented financial information prepared using assumptions to the best judgment of applicants as to the most probable set of economic conditions and should not be treated as a forecast.
- i. All the information related to business entity, owner's profile, employment along with the feasibility studies, Industry analysis, market potential, current scenario and challenges-solutions is based on the discussions and inputs from the loan applicant.