

Chapter 6. FINANCIAL ANALYSIS

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6 FINANCIAL ANALYSIS

6-1 Basic Prerequisite

In this chapter, the calculation shall be made on the following basic prerequisites.

- 1) Project life to be analyzed
 - 2 years for the construction
 - 11 years for the operation
- 2) Operating Ratio
 - 1st year, 50% of installed capacity
 - After 2nd year, full capacity
- 3) The moment for the analysis
June 1986 (Inflation during the project life is not taken into account)
- 4) Exchange Rate
 - 1 us\$ = NRs 21 (at the end of March, 1986)
 - 1 us\$ = ¥176 (TTB)
 - 1 NRs = ¥8.4
- 5) Tax incentive
 - a) Income tax
fully exempted during 9 years after the start up
 - b) Import duties
 - 1% for machinery and equipment, accessories and parts, raw materials, sizing materials, chemicals and dyestuffs, vehicles
 - 11% for polyester cut fibre
 - c) Excise duties
To be levied on from the 4th year after the start up
 - d) Sales tax
20% for products
- 6) Loan/investment ratio
 - Case 1 100/0
 - Case 2 80/20
- 7) Loan condition (Interest)
 - 10.5% for foreign loan
 - 12% for local loan

20 times repayment of semi-annual installment for 10 years after 3 years of grace period

6-2 Capital Requirements

6-2-1 Fixed Capital

1) Land cost

The proposed site belongs to the HMG's property and this cost is not incurred.

2) Land levelling cost

Few trees stand in the slope of the proposed site.

NRs 6,548,000 is appropriated as this cost.

3) Construction cost

NRs 136,340,000 (foreign portion 95,857,000 and local portion 40,483,000) is counted as the civil and construction cost, which is broken down as follows:

	(¥'000)		
	Local	Foreign	Total
Temporary work	35,000	35,000	70,000
Construction work			
Earth work	11,610	4,970	16,580
Concrete work	40,490	44,850	85,340
Form work	18,000	12,000	30,000
Reinforcement work	4,500	25,500	30,000
Iron work	12,200	115,900	128,100
Piling work	29,910	19,940	49,850
Roof work	17,190	97,380	114,570
Door/window work	14,200	21,300	35,500
Interior work	19,710	19,720	39,430
External finishing	2,180	1,460	3,640
Installation work	2,000	18,000	20,000
External work	66,275	44,180	110,455
Machine foundation	43,310	80,000	123,310
Transportation cost		172,000	172,000
Sub-total	281,575	677,200	958,775
Overhead expenses	23,485	93,000	116,485
Total J. Yen	340,060	805,200	1,145,260
NRs	40,483	95,857	136,340

4) Machinery and equipment to be imported

a) Ex-godown price

The ex-godown price at the port for the machinery and equipment is shown as follows.

	¥'000	NRs'000
Spinning machinery	891,064	(106,079)
Weaving machinery	1,302,187	(155,022)
Dyeing/finishing m.	469,945	(55,946)
Electric equipment	185,900	(22,131)
Utility equipment	437,300	(52,060)

The price per each machine is shown in table 1 to 5.

Table 1 Production Machine List (Spinning)

Item No.	Machine Item	Ex-go (¥ 1,000)		
		Q'ty	Unit Price	Amount
S - 1	Blow Room Machinery for Cotton	1 line		37,032
	Blow Room Machinery for Polyester	1 line		23,632
S - 2	High Production Card for Cotton	10 sets	5,120	51,200
	High Production Card for Polyester	6 sets	5,040	30,240
S - 3	High-speed Pre-drawing Frame	3 sets	3,600	10,800
S - 4	Sliver Lap Former	1 set		8,480
S - 5	High Production Comber	6 sets	7,040	42,240
S - 6	1st High-speed Drawing Frame	3 sets	3,576	10,728
S - 7	2nd High-speed Drawing Frame	3 sets	3,576	10,728
S - 8	Simplex Fly Frame	3 sets	10,800	32,400
S - 9	Ring Spinning Frame	32 sets	9,288	297,216
S - 10	Automatic Winder	5 sets	28,000	140,000
S - 11	Full Automatic Steam Setter	1 set		6,640
S - 12	High Speed Re-winder	1 set		5,600
	Auxiliary Equipment	1 lot		108,388
	Spare Parts	1 lot		57,868
	Accessories, Tools & Gauges	1 lot		17,872
Total				891,064
(Measurement)				(1,754 m ³)

Table 2 Production Machine List (Weaving)

Item No.	Machine Item	Q'ty	Ex-go (¥ 1,000)	
			Unit Price	Amount
W - 1	Direct Warper	2 sets	15,600	31,200
W - 2	Sizing Machine	1 set		49,200
W - 3	Tying Machine	2 sets	2,696	5,392
W - 4	Reaching-in Machine	5 sets	448	2,240
W - 5	Rapier Loom with Dobby	77 sets	3,516	270,732
	Rapier Loom with Plain Tappet	77 sets	2,716	209,132
	Rapier Loom with Dobby	77 sets	3,596	276,892
	Rapier Loom with Twill Tappet	77 sets	2,860	220,220
W - 6	Inspecting Machine	4 sets	880	3,520
W - 7	Folding Machine	1 set		2,400
	Auxiliary Equipment & Accessories	1 lot		174,235
	Spare Parts	1 lot		57,024
Total				1,302,187
(Measurement)				(3,640 m ³)

Table 3 Production Machine List (Processing)

<u>Item No.</u>	<u>Machine Item</u>	<u>Q'ty</u>	<u>Ex-go (¥ 1,000)</u>	
			<u>Unit Price</u>	<u>Amount</u>
P - 1	Gas Singeing/Desizing Machine	1 set		15,640
P - 2	Scouring/Bleaching Range	1 set		60,350
P - 3	Mercerizing Range with Caustic Soda Recovery Tower	1 set		78,583
P - 4	Heat Setter	1 set		42,245
P - 5	Pad Hot Air Dryer	1 set		36,210
P - 6	Thermosol Machine	1 set		21,250
P - 7	Pad Steamer	1 set		42,925
P - 8	Finishing Stenter	1 set		40,545
P - 9	Baking Machine	1 set		21,250
P - 10	Inspecting Machine	3 sets	1,402	4,206
P - 11	Double/Lapping Machine	2 sets	4,038	8,076
P - 12	Winding Machine	1 set		2,890
P - 13	Stripping Machine	1 set		1,938
	Spare Parts & Accessories	1 lot		63,345
	Laboratory Equipment	1 lot		11,273
	Auxiliary Equipment	1 lot		19,219
Total				469,945
(Measurement)				(1,683 m³)

Table 4 Electrical Equipment List

Item No.	Machine Item	Q'ty	Ex-go (¥ 1,000)	
			Unit Price	Amount
E - 1	Incoming Station	1 set		19,000
E - 2	Spinning-weaving Substation	1 set		16,100
E - 3	Processing-utility Substation	1 set		16,800
E - 4	H.T. Cable	1 lot		8,700
E - 5	L.T. Cable	1 lot		35,200
E - 6	L.T. Distribution Board	1 lot		18,400
E - 7	Lighting Material	1 lot		39,200
E - 8	Fire Alarm System	1 set		900
E - 9	Miscellaneous Material	1 lot		16,600
E - 10	Telephone System	1 set		3,000
E - 11	Maintenance Tools & Instruments	1 lot		3,000
E - 12	Electric Home Appliance	1 lot		5,000
E - 13	Electrical Material for Temporary Wiring	1 lot		4,000
Total				185,900
(Measurement)				(730 m ³)

Table 5 Utility Equipment List

Item No.	Machine Item	Q'ty	Ex-go (¥ 1,000)	
			Unit Price	Amount
U - 1	Air Conditioning Plant	1 set		209,500
U - 2	Boiler Plant	1 set		66,300
U - 3	LPG Storage Tank Equipment	1 set		25,500
U - 4	Compressed Air Equipment	1 set		14,400
U - 5	Raw Water Treatment Equipment	1 set		28,800
U - 6	Raw Water Pump and Piping Plant	1 set		4,500
U - 7	Effluent Treatment Plant	1 set		26,700
U - 8	Fire Fighting Equipment	1 set		12,100
U - 9	Air Conditioner for Service Room	1 set		4,400
U - 10	Piping Material for Steam, Water, LPG and Compressed Air Distribution	1 lot		19,100
U - 11	Iron Work Shop	1 set		26,000
Total				437,300
(Measurement)				(1,750 m ³)

b) Shipping charge

The shipping charge and f. o. b. price are as follows.

(Shipping charge = ¥2,700/cubic m)

	cubic m	s. charge	f. o. b.
Spinning machinery	1,754	4,736	895,800
		564	106,643
Weaving machinery	3,640	9,828	1,312,015
		1,170	156,192
Dyeing/finishing m.	1,683	4,544	474,489
		541	56,487
Electric equipment	730	1,971	187,871
		235	22,366
Utility equipment	1,750	4,725	442,025
		562	52,622
Total	9,557m³		3,312,200
			394,310

Upper figure ¥'000

Lower figure NRs'000

c) Ocean freight

Rate (Japan to Calcutta) us \$ 65/cub. m

= ¥11,440

= NRs 1,362

Ocean freight applied by the above rate is calculated as follows.

	¥'000	NRs'000
Spinning machinery	20,066	2,389
Weaving machinery	41,642	4,958
Dyeing/finishing m.	19,254	2,292
Electric equipment	8,351	994
Utility equipment	20,020	2,383
Total	109,333	13,016

d) Marine insurance

c. & f. price \times 110% \times 0.0075

	c. & f.		Insurance	
	¥'000	NRs'000	¥'000	NRs'000
Spinning machinery	915,866	109,032	7,556	899
Weaving machinery	1,353,657	161,150	11,168	1,329
Dyeing/finishing m.	493,743	58,779	4,073	485
Electric equipment	196,222	23,360	1,619	193
Utility equipment	462,045	55,004	3,812	454
Total			28,228	3,360

e) c. i. f. price

a) to d) are summerized as follows.

- c. i. f. Calcutta of production machinery

	¥'000	NRs'000
Spinning machinery	923,422	109,931
Weaving machinery	1,364,825	162,479
Dyeing/finishing m.	497,816	59,264
Electric equipment	197,841	23,553
Utility equipment	465,857	55,459
Total	3,449,761	410,686

- c. i. f. Calcutta of vehicles and other equipment

	¥'000	NRs'000
Vehicles	54,228	6,456
Canteen equipment	9,000	1,071
Dispensary equipment	2,200	262
Office equipment	5,500	655
Furnitures and fixtures	2,000	238
Total (100m ²)	72,928	8,682

Table 6 shows the detail of vehicles necessary for the Project.

Table 6 Vehicle's Price

		ex-go ¥'000	Total ¥'000
Cargo truck (6 ton)	2	3,500	7,000
Bus (50 to 60 passengers)	2	15,000	30,000
Pickup	2	1,000	2,000
Sedan	1	2,000	2,000
Four wheel vehicle (Jeep/Land cruiser type)	2	2,000	4,000
Mini bus (9 passengers)	2	1,600	3,200
Total ex-go ¥48,200,000			
Shipping charge	11	50	550
Ocean freight	440 cub.m	\$ 65	5,034
Marine insurance (C & F X 110 % X 0.75 %)			444
c.i.f. Calcutta ¥54,228,000 (NRs 6,456,000)			

- Office equipment locally purchased
¥600,000 (NRs 714,000)

Totalling the above,

¥3,528,689,000 (NRs 420,082,000)

f) Clearance charge at port Calcutta

Custom clearance charge, harbour unloading work charge and dealer's commission are included here and is 2.5% of c. i. f. price.

	NRs'000
Spinning machinery	$109,932 \times 0.025 = 2,748$
Weaving machinery	$162,479 \times 0.025 = 4,062$
Dyeng/finishing m.	$59,264 \times 0.025 = 1,482$
Electrical equipment	$23,553 \times 0.025 = 589$
Utility equipment	$55,458 \times 0.025 = 1,386$
Vehicles and others	$8,682 \times 0.025 = 217$
Total	(Foreign cost) 10,484
	(¥88,067,000)

g) Import duties and import sales tax

According to the tax incentives established by the Industrial Enterprises Act 2038 (1982), custom duties of 1% are levied on the imported machinery and equipment and sales tax is exempted.

NRs 419,368,000 \times 0.01 = 4,193,680 (Local cost)

h) Inland transportation charge

The inland transportation charge (including loading and offloading charge) from the port Calcutta to the Project site and insurance are applied as follows.

-Equipment except vehicles @ NRs 1,360/cub m

9,657 cub. m \times 1,360 = NRs 13,133,520

-Vehicles

Bus	$2 \times 27,300 =$	NRs	54,600
Truck	$2 \times 13,650 =$	NRs	27,300
Small car	$7 \times 11,550 =$	NRs	80,850
Other charges (10%)		NRs	16,275
Total		NRs	179,025

-Insurance premium

c. i. f. NRs $419,368,000 \times 0.0025 =$ NRs 1,048,420

Totalling the above,

NRs 14,360,965 (Foreign cost)

(¥120,632,106)

5) Erection cost

a) Local cost for erection workers

Foreman/Technician	$185M/M \times 1,507 =$	NRs	278,795
Skilled labour	$468M/M \times 1,043 =$	NRs	488,124
Unskilled labour	$648M/M \times 702 =$	NRs	454,896
Overtime payment and reserve (50%)		NRs	610,907
Total		NRs	1,832,722

Man-months for the erection labours are on the basis of table 43 of chapter 5.

b) Lease for the construction equipment

$1,178 \times 8 \text{ h} \times 30 \text{ days} =$ NRs 282,720

c) Erection materials

8,000,000 (NRs 952,381 Foreign cost)

d) Extension work for the exclusive transmission line

NRs $275,000 \times 2.5 \text{ km} =$ NRs 687,500

Total of a) - d) NRs 3,755,323

Foreign NRs 952,381 (¥8,000,000)

Local NRs 2,802,942

6) Fee for foreign supervisors

This is referred to the fee for supervisors dispatched by the manufacturers of production machinery and electric or utility equipment, who are engaged in guiding their erection,

test running and mechanical adjustment. Man-months in table 43 of chapter 5 are adopted here.

a) Fee

Spinning	27M/M×1,200,000	= ¥32,400,000
Weaving	17M/M×1,200,000	= ¥20,400,000
Dyeing/finish.	14M/M×1,200,000	= ¥16,800,000
Elec/utility	92M/M×1,200,000	= ¥110,400,000
Total	150M/M	¥180,000,000

(NRs 21,428,570)

b) Return air fare

Spinning	12×450,000	= ¥5,400,000
Weaving	10×450,000	= ¥4,500,000
Dyeing/finish.	9×450,000	= ¥4,050,000
Elec/utility	20×450,000	= ¥9,000,000
Total		¥22,950,000

(NRs 2,732,142)

c) Board

150M/M×30days×295= NRs 1,327,500

(¥11,151,000)

Total of a) — c) NRs 25,488,212

Foreign NRs 24,160,712 (¥202,950,000)

Local NRs 1,327,500

7) Engineering fee

a) Fee

This is the remuneration for the engineering and consulting service, which is divided into detailed design and implementation management. The former is counted as 83M/M and the latter 101M/M. The fee is estimated as 4 % of total investment cost

¥252,900,000 (NRs 30,107,143)

b) Return air fare

39 times ×450,000= ¥17,550,000 (NRs 2,089,286)

c) Know-how fee (10%)

¥27,000,000 (NRs 3,214,286)

d) Local cost

$101\text{M}/\text{M} \times 30\text{days} \times 6,000 = \text{¥}18,180,000$ (NRs 2,164,286)

Total of a) — d) NRs 37,575,001

Foreign NRs 35,410,715 (297,450,000)

Local NRs 2,164,286

8) Training fee

The training of the project personnel must be entrusted to a professional training firm for the implementation and management of training programme. Necessary man-months are based on the table 42 of chapter 5.

a) Cost for training staffs

- $111\text{M}/\text{M} \times 1,600,000 = \text{¥}177,600,000$ (NRs 21,142,857)

- Return air fare

$15 \times 450,000 = \text{¥}6,750,000$ (NRs 803,571)

- Local cost

$111\text{M}/\text{M} \times 30\text{days} \times 3,000 = \text{¥}9,990,000$ (NRs 1,189,286)

Total $\text{¥}194,340,000$ (NRs 23,135,714)

b) Overseas training cost for trainees

Total 15 trainees are dispatched for the overseas training at two times for 4 months each time.

- Return air fare

$15 \times 450,000 = \text{¥}6,750,000$

- Overseas staying expenses

$15 \times 120\text{days} \times 6,000 = \text{¥}10,800,000$

- Overseas travelling expenses

$15 \times 200,000 = \text{¥}3,000,000$

- Training fee

$15 \times 1,200,000 = \text{¥}18,000,000$

- Attendance fee

20,000,000

Total $\text{¥}58,550,000$ (NRs 6,970,238)

Total of a) and b)NRs	30,105,952
Foreign NRs	28,916,666 (242,900,000)
Local NRs	1,189,286

9) Pre-operational cost

In order to prepare the foundation and establish the managerial organization, employees must be recruited and adopted. They make necessary preparation for the productive activity and the factory operation. They are also supposed to direct the erection personnel for the smooth progress of erection. Initial expenses for two years before operation and trial running cost are earmarked below.

a) Labour cost

General manager	$21M/M \times 3,456 =$ NRs	72,576
Manager	$42M/M \times 2,420 =$ NRs	101,640
Division head	$108M/M \times 2,312 =$ NRs	249,696
Chief/supervisor	$242M/M \times 2,311 =$ NRs	559,262
Foreman/leader	$343M/M \times 2,110 =$ NRs	723,730
Skilled labour	$814M/M \times 1,477 =$ NRs	1,202,278
Unskilled labour	$382M/M \times 850 =$ NRs	324,700
Reserve (20%)		NRs 646,776
Total		NRs 3,880,658

b) Materials for trial running and initial operation

i. Raw material ¥9,040,656 (NRs 1,076,269)

Following is input for trial running and initial raw material.

Cotton	$22,215kg \times 204.54 =$	4,543,856
Polyester	$18,250kg \times 246.40 =$	4,496,800

ii. Auxiliary material 824,300 (NRs 98,131)

Sizing material is prepared for 1 batch (3.5 hours).

¥67,300

Chemicals and dyestuffs are prepared for one day's use for all dyeing and finishing machines.

¥757,000

iii. Power charge NRs 263,619

¥400,000 (NRs 47,619) is estimated for spinning, weaving and utility section (10 hours on an average) and for dyeing/finishing section (3 days). And as illumination,

180kw (average) × 8 hr × 6 months × 0.97 = NRs 216,000
is appropriated.

iv. Fuel charge NRs 2,240,709

NRs 147,619 (¥1,240,000) is calculated for fuel oil for trial running of spinning, weaving and utility sections (10hr on an average) and for dyeing/finishing (about 3 days use). And as LPG charge for trial running of dyeing/finishing and for general use during the construction period, NRs 126,190 (¥1,060,000) is appropriated. In addition, following is counted as reserve for initial operation.

- Fuel oil

290 cub. m (30 days use) × 1,000 × 5.66/lt = NRs 1,641,400

- LPG

30t (17 days) × 1,000 × 10.85/lt = NRs 325,500

v. Water charge NRs 22,619

NRs 22,619 (¥190,000) is summed up for trial run of dyeing and finishing section and for general use during the construction period.

Total of a) and b) NRs 7,582,005

Foreign NRs 1,174,400 (¥9,864,956)

Local NRs 6,407,605

10) Contingency

5 % of civil and building work and of plant installation is earmarked for the physical and price escalation contingency.

¥292,248,000 (NRs 34,791,429)

	Physical c.	Price escalation c.
Foreign NRs 31,660,000	6,300,000	25,360,000
Local NRs 3,131,000	630,000	2,501,000

11) Total investment for fixed capital

Breakdown of direct construction cost is shown below.

Table 7 Total construction cost

Item/Amount	Foreign portion		Local	Total
	¥'000	NRs'000	NRs,000	NRs,000
Land levelling			6,548	6,548
Civil/building	805,200	95,857	40,483	136,340
Machinery (fob)	3,312,200	394,310		394,310
Ocean freight	109,333	13,016		13,016
Marine insur.	28,228	3,360		3,360
Vehicles (cif)	72,928	8,682	714	9,396
Custom clear.	88,067	10,484		10,484
Import duties			4,194	4,194
Inland transport	120,632	14,361		14,361
Erection cost	8,000	952	2,803	3,755
Supervising fee	202,950	24,161	1,327	25,488
Engineering fee	297,450	35,411	2,164	37,575
Training fee	242,900	28,917	1,189	30,106
Pre-operational	9,865	1,174	6,408	7,582
Contingency	265,944	31,660	3,131	34,791
Total	5,563,697	662,345	68,961	731,306

6-2-2 Working Capital

Working capital requirement is estimated for the first year of operation and after the second year of full operation as shown in table 8.

6-2-3 Total Investment and Disbursement Plan

In table 9 - 1 and 9 - 2 the detail of investment implementation and its source is shown. Case 1 and 2 are established according to the ratio of loan/investment.

Case 1 All loan (debt)

Case 2 20% investment

The interest during construction is incurred at each end of 1st and 2nd year of the construction period, provided that the fund required is borrowed at the intermediate point of 1st year of construction. This is added to the total sum of loan, constituting thus the loan principal. Interest condition for this interest is same as that for long term debt in foreign and local currency.

Interest during the construction (Unit NRs'000)

Case 1 -Foreign portion

1 st year	$662,345 \times 10.5\% \times 1/2$	=	34,773
2 nd year	$(662,345 + 34,773) \times 10.5\%$	=	73,197
	Total		107,970

-Local portion

1 st year	$68,961 \times 12.0\% \times 1/2$	=	4,138
2 nd year	$(68,961 + 4,138) \times 12.0\%$	=	8,772
	Total		12,910

-Total interest NRs 120,880,000

Case 2 -Foreign portion

1 st year	$507,790 \times 10.5\% \times 1/2$	=	26,659
2 nd year	$(507,790 + 26,659) \times 10.5\%$	=	64,134
	Total		90,793

-Local portion

1 st year	$68,961 \times 12.0\% \times 1/2$	=	4,138
2nd year	$(68,961 + 4,138) \times 12.0\%$	=	8,772
	Total		12,910

-Total interest NRs 103,703,000

6-2-4 Procurement of Capital

1) Fund necessary for the Plant establishment is summerized as follows.

Fixed capital (Table 7)	NRs	731,306,000
Working capital (Table 8)		26,037,000
Interest during construction		
Case 1		120,880,000
Case 2		103,703,000
Total	Case 1	878,223,000
	Case 2	861,046,000
		(for debt 706,491,000)

2) Fund source and borrowing condition

Source for fund required for the Project is considered as follows.

a) Equity portion

Various cases such as 100% investment by Government, co-investment by Government and governmental institution, popular subscription of shares by Government and co-investment by NIDC and private sector, etc. are possible for the capital form of the

Project. Shares are issued only to HMG or government agencies in case of a government company. The case HMG possesses more than 51% of shares is considered as public company (Nepal Company Act).

b) Loan portion

In case of ownership by HMG, the project finance will be carried out through the Government. An investment by private capital and whose scale is greater than medium industry can be object of long term debt borrowing to the fixed capital either in foreign or local currency base by NIDC. The borrowipg condition of this loan consists of 12% interest, 5 to 15 years repayment by semi-annual installment and grace period of 1 to 3 years at the moment of the study (Interest is established by Nepal Rastra Bank). Further, 0.75% commitment charge against the loan amount should be paid. Short term debt for the working capital is financed by Nepal Bank Limited and Rastriya Banjiya Bank with its 17% interest.

It is established for the financial calculation in the report that loan interest rate for the long term debt in foreign currency (interest rate of long term loan by Government) is 10.5%, interest for the long term debt in local currency is 12%, repayment by 20 semi-annual installement and 3 years of grace period.

3) Repayment schedule of long term loan

Repayment of long term loans is shown in next tables.

Table 10-1 In foreign currency (Case 1)

Table 10-2 In local currency (Case 2)

Table 11-1 In foreign currency (Case 1)

Table 11-2 In local currency (Case 2)

Table 8 Working Capital Required

	Operating Year 1			Operating Year 2 ~ 10		
	Local	Foreign	Total	Local	Foreign	Total
	NRs '000	NRs '000	NRs '000	NRs '000	NRs '000	NRs '000
Cash	1,505		1,505	3,048		3,048
Receivables	1,505		1,505	3,048		3,048
Inventories						
Raw Materials	3,291	3,162	6,453	5,894	5,663	11,557
Auxiliary Materials		4,413	4,413		7,818	7,818
Packing Materials	13		13	24		24
Fuel	1,066		1,066	1,066		1,066
Lalour Expenses	712		712	908		908
Half-finished Goods	3,887		3,887	5,855		5,855
Finished Goods	6,483		6,483	9,399		9,399
Total Inventories	15,452	7,575	23,027	23,146	13,481	36,627
Total(A)	18,462	7,575	26,037	29,242	13,481	42,723

Case-1
Table 9-1 Capital Requirement & Disbursement Schedule

Unit: NRs'000

Item	Before Operation (2 year)	After Operation (1st year)	Total	Ration (%)
Capital Requirement				
Fixed Capital				
Land Levelling	6,548		6,548	
Construction Cost	136,340		136,340	
Machinery & Equipment (f. o. b.)	394,310		394,310	
Ocean Freight	13,016		13,016	
Marine Insurance	3,360		3,360	
Vehicles & Auxiliary Equipment (c. i. f.)	9,396		9,396	
Clearance Charge	10,484		10,484	
Import Duty	4,194		4,194	
Inland Transportation	14,361		14,361	
Erection	3,755		3,755	
Supervising Fee	25,488		25,488	
Engineering Fee	37,575		37,575	
Training Fee	30,106		30,106	
Preoperational Cost	7,582		7,582	
Contingency	34,791		34,791	
Total Fixed Capital	731,306		731,306	96.6
Working Capital		26,037	26,037	3.4
TOTAL	731,306	26,037	757,343	100.0
Source of Fund				
Share Capital				
Long-term Loan (Foreign)	662,345		662,345	87.5
Long-term Loan (Local)	68,961	26,037	94,998	12.5
TOTAL	731,306	26,037	757,343	100.0
Interest During Construction	120,880			
Balance of Loan (Total Capital Required)	852,186	26,037	878,223	

Note : 1) Interest during construction is figured out on condition that Total Loans are borrowed in the middle of 1st year of the construction period.

2) Total amount of long-term loan is NRs 878,223,000 (NRs 757,343 + interest 120,880).

Case-2

Table 9-2 Capital Requirement & Disbursement Schedule

Unit: NRs'000

Item	Before Operation (2 year)	After Operation (1st year)	Total	Ration (%)
Capital Requirement				
Fixed Capital				
Land Levelling	6,548		6,548	
Construction Cost	136,340		136,340	
Machinery & Equipment (f. o. b.)	394,310		394,310	
Ocean Freight	13,016		13,016	
Marine Insurance	3,360		3,360	
Vehicles & Auxiliary Equipment (c. i. f.)	9,396		9,396	
Clearance Charge	10,484		10,484	
Import Duty	4,194		4,194	
Inland Transportation	14,361		14,361	
Erection	3,755		3,755	
Supervising Fee	25,488		25,488	
Engineering Fee	37,575		37,575	
Training Fee	30,106		30,106	
Preoperational Cost	7,582		7,582	
Contingency	34,791		34,791	
Total Fixed Capital	731,306		731,306	96.6
Working Capital		26,037	26,037	3.4
TOTAL	731,306	26,037	757,343	100.0
Source of Fund				
Share Capital	154,555		154,555	20.0
Long-term Loan (Foreign)	507,790		507,790	80.0
Long-term Loan (Local)	68,961	26,037	94,998	
TOTAL	731,306	26,037	757,343	100.0
Interest During Construction	103,703		103,703	
Balance of Loan	680,454	26,037	706,491	
Total Capital Required	845,009	26,037	861,046	

Note : 1) Interest during construction is figured out on condition that Total Loans are borrowed in the middle of 1st year of the construction period.

2) Total amount of long-term loan is NRs 706,491,000 (NRs 602,788 + interest 103,703).

Table 10-1 Repayment of Long Term Loans (Foreign currency)

Case - 1

(Unit: NRs' 000)

Year	Installment	Principal	Principal Repayment	Balance Unpaid	Interest (10.5 %/Year)
-2/1		770,315.0	0	770,315.0	0
1			0	770,315.0	80,883.1
2	1		38,516.7	731,798.3	40,441.5
	2		38,515.7	693,282.6	38,419.4
3	3		38,515.7	654,766.9	36,397.3
	4		38,515.7	616,251.2	34,375.3
4	5		38,515.7	577,735.5	32,353.2
	6		38,515.7	539,219.8	30,331.1
5	7		38,515.7	500,704.1	28,309.0
	8		38,515.7	462,188.4	26,287.0
6	9		38,515.7	423,672.7	24,264.9
	10		38,515.7	385,157.0	22,242.8
7	11		38,515.7	346,641.3	20,220.7
	12		38,515.7	308,125.6	18,198.7
8	13		38,515.7	269,609.9	16,176.6
	14		38,515.7	231,094.2	14,154.5
9	15		38,515.7	192,578.5	12,132.5
	16		38,517.7	154,062.8	10,110.4
10	17		38,515.7	115,547.1	8,088.3
	18		38,515.7	77,031.4	6,066.2
11	19		38,515.7	38,515.7	4,044.2
	20		38,515.7	0	2,022.1
Total			770,315.0	—	505,518.8

Remarks : 1) The principal shall be repaid in 20 equal semi-annual installments after the grace period of 3 years.

2) Interest during construction shall be included in the principal.

Table 10-2 Repayment of Long Term Loans (Local currency)

Case - 1

(Unit: NRs' 000)

Year	Installment	Principal	Principal Repayment	Balance Unpaid	Interest (12 %/Year)
-2/1		81,871.0	0	81,871.0	0
1		26,037.0	0	107,908.0	9,824.5
2	1		5,395.4	102,512.6	6,474.5
	2		5,395.4	97,117.2	6,150.8
3	3		5,395.4	91,721.8	5,827.0
	4		5,395.4	86,326.4	5,503.3
4	5		5,395.4	80,931.0	5,179.6
	6		5,395.4	75,535.6	4,855.9
5	7		5,395.4	70,140.2	4,532.1
	8		5,395.4	64,744.8	4,208.4
6	9		5,395.4	59,349.4	3,884.7
	10		5,395.4	53,954.0	3,561.0
7	11		5,395.4	48,558.6	3,237.2
	12		5,395.4	43,163.2	2,913.5
8	13		5,395.4	37,767.8	2,589.8
	14		5,395.4	32,372.4	2,266.1
9	15		5,395.4	26,977.0	1,942.3
	16		5,395.4	21,581.6	1,618.6
10	17		5,395.4	16,186.2	1,294.9
	18		5,395.4	10,790.8	971.2
11	19		5,395.4	5,395.4	647.5
	20		5,395.4	0	323.7
Total			107,908.0	-	77,806.6

- Remarks : 1) The principal shall be repaid in 20 equal semi-annual installments after the grace period of 3 years.
- 2) Interest during construction shall be included in the principal.

Table 11-1 Repayment of Long Term Loans (Foreign currency)

Case - 2

(Unit: NRs' 000)

Year	Installment	Principal	Principal Repayment	Balance Unpaid	Interest (10.5 %/Year)
-2/1		598,583.0	0	598,583.0	0
1			0	598,583.0	62,851.2
2	1		29,930.1	568,652.9	31,425.6
	2		29,929.1	538,723.8	29,854.3
3	3		29,929.1	508,794.7	28,283.0
	4		29,929.1	478,865.6	26,711.7
4	5		29,929.1	448,936.5	25,140.4
	6		29,929.1	419,007.4	23,569.2
5	7		29,929.1	389,078.3	21,997.9
	8		29,929.1	359,149.2	20,426.6
6	9		29,929.1	329,220.1	18,855.3
	10		29,929.1	299,291.0	17,284.1
7	11		29,929.1	269,361.9	15,712.8
	12		29,929.1	239,432.8	14,141.5
8	13		29,929.1	209,503.7	12,570.2
	14		29,929.1	179,574.6	10,998.9
9	15		29,929.1	149,645.5	9,427.7
	16		29,929.1	119,716.4	7,856.4
10	17		29,929.1	89,787.3	6,285.1
	18		29,929.1	59,858.2	4,713.8
11	19		29,929.1	29,929.1	3,142.6
	20		29,929.1	0	1,571.3
Total			598,583.0	—	392,819.6

Remarks : 1) The principal shall be repaid in 20 equal semi-annual installments after the grace period of 3 years.

2) Interest during construction shall be included in the principal.

Table 11-2 Repayment of Long Term Loans (Local currency)

Case - 2

(Unit: NRs' 000)

Year	Installment	Principal	Principal Repayment	Balance Unpaid	Interest (12%/Year)
-2/1		81,871.0	0	81,871.0	0
1		26,037.0	0	107,908.0	9,824.5
2	1		5,395.4	102,512.6	6,474.5
	2		5,395.4	97,117.2	6,150.8
3	3		5,395.4	91,721.8	5,827.0
	4		5,395.4	86,326.4	5,503.3
4	5		5,395.4	80,931.0	5,179.6
	6		5,395.4	75,535.6	4,855.9
5	7		5,395.4	70,140.2	4,532.1
	8		5,395.4	64,744.8	4,208.4
6	9		5,395.4	59,349.4	3,884.7
	10		5,395.4	53,954.0	3,561.0
7	11		5,395.4	48,558.6	3,237.2
	12		5,395.4	43,163.2	2,913.5
8	13		5,395.4	37,767.8	2,589.8
	14		5,395.4	32,372.4	2,266.1
9	15		5,395.4	26,977.0	1,942.0
	16		5,395.4	21,581.6	1,618.6
10	17		5,395.4	16,186.2	1,294.9
	18		5,395.4	10,790.8	971.2
11	19		5,395.4	5,395.4	647.5
	20		5,395.4	0	323.7
Total			107,908.0	-	77,806.6

Remarks : 1) The principal shall be repaid in 20 equal semi-annual installments after the grace period of 3 years.

2) Interest during construction shall be included in the principal.

6-3 Operation and Production Cost

6-3-1 Cost Items

1) Raw material cost

Yearly raw material consumption and cost is shown in tables 12-1 and 12-1. Raw material consumption and cost per 1m of product is shown in table 13.

2) Auxiliary materials cost

Auxiliary materials cost for weaving section is shown as follows.

Table 14 Auxiliary material cost in Weaving

Item	Consumption (Kg)	@	¥'000
PVA	114,180	518	59,145
Cornstarch	61,480	130	7,992
Acrylic	15,840	452	7,160
Wax	10,560	491	5,196
After Wax	260	755	196
Total			¥76,689,000 (NRs 9,486,786)

Chemicals and dyestuffs for full operation year is shown as follows.

Table 15 Auxiliary materials cost in dyeing/finishing

Item	Consumption (Kg)	Ex-go ¥'000
Desizing chemicals	28,100	3,063
Scouring/bleaching ch.	12,000	2,729
Dyestuff	10,920	103,016
Caustic soda	285,000	14,535
Dyeing chemicals/agents	206,830	31,361
Finishing chemicals/agt.	170,100	40,970
Total		195,674
c. i. f. Calcutta		203,028
c. i. f. Nepal		¥235,541,000 (NRs 28,040,595)

Table 12-1 Yearly Raw Material Cost for 1st Year after Operation

Raw Materials		Cotton @ = ¥ 204.54 (NRs 24.35)		Polyester Fibre @ = ¥ 246.4 (NRs 29.33)		Total (J. Yen)
		Q'ty (Kg)	Amount (J. Yen)	Q'ty (Kg)	Amount (J. Yen)	
Ne45	Warp	132,345	27,069,846	105,834	26,077,498	53,147,344
	Weft	92,655	18,951,654	74,096	18,257,254	37,208,908
	Sub-total	225,000	46,021,500	179,930	44,334,752	90,356,252
Ne30	Warp	266,635	54,537,523	212,363	52,326,243	106,863,766
	Weft	157,067	32,126,484	125,096	30,823,654	62,950,138
	Sub-total	423,702	86,664,007	337,459	83,149,897	169,813,904
G. Total		648,702	132,685,507	517,389	127,484,649	260,170,156

Table 12-2 Yearly Raw Material Cost for 2nd Year after Operation

Raw Materials		Cotton @ = ¥ 204.54 (NRs 24.35)		Polyester Fibre @ = ¥ 246.4 (NRs 29.33)		Total (J. Yen)
		Q'ty (Kg)	Amount (J. Yen)	Q'ty (Kg)	Amount (J. Yen)	
Ne45	Warp	237,033	48,482,730	189,550	46,705,120	95,187,850
	Weft	165,948	33,943,004	132,705	32,698,512	66,641,516
	Sub-total	402,981	82,425,734	322,255	79,403,632	161,829,366
Ne30	Warp	477,556	97,679,304	380,353	93,718,979	191,398,283
	Weft	281,312	57,539,557	224,053	55,206,659	112,746,216
	Sub-total	758,868	155,218,861	604,406	148,925,638	304,144,499
G. Total		1,161,849	237,644,595	926,661	228,329,270	465,973,865

Table 13 Raw Material Input and Cost for Production Items

Items	Yarn Count	Warp or Weft	Yarn Weight of Finished Cloth g/m	%	Raw Material Input			Amount (NRs)
					Input g/m		Unit Price (NRs)	
Shirting (Dobby)	45's	Warp	76.33	58.65	Cotton	81.9300	0.02435	1.9950
	45's	Weft	53.81	41.35	Polyester	65.5056	0.0294	1.9256
Shirting (Plain)	45's	Warp	64.95	55.84	Cotton	73.2295	0.02435	1.7831
	45's	Weft	51.37	44.16	Polyester	58.5494	0.0294	1.7214
Suiting (Dobby)	30's	Warp	135.72	61.79	Cotton	138.5545	0.02435	3.3738
	30's	Weft	83.93	38.21	Polyester	110.3309	0.0294	3.2437
Twill	30's	Warp	161.40	64.01	Cotton	159.0428	0.02435	3.8727
	30's	Weft	90.73	35.99	Polyester	126.6457	0.0294	3.7234

3) Packing materials cost

Packing materials cost for full operation year is shown as follows.

Table 16 Packing materials cost

Item	Consumption	@	Ex-go ¥'000
Carton box (A)	1,000 pcs	120	120
" (B)	1,000 pcs	200	200
Gum tape	250 rolls	500	125
Paper tube (A)	2,500 pcs	100	250
" (B)	2,500 "	120	300
Carton plate	10,000 "	30	300
Film for wrapping	25,000 "	5	125
Paper for wrapping	25,000 "	2	50
Sewing thread	160 "	700	112
Lead tape	20 "	4,000	80
P. P. bond	54 "	4,000	216
Total			1,878
c. i. f. Calcutta			1,998
c. i. f. Nepal			¥2,379,000
			(NRs 283,214)

4) Power charge

Annual power consumption is estimated as follows.

- Spinning (for machinery, illumination and air conditioning)

$$1,165\text{kw} \times 660\text{hr} \times 12 = 9,226,800 \text{ KWH}$$

- Weaving (for machinery, illumination and air conditioning)

$$810\text{kw} \times 660\text{hr} \times 12 = 6,415,200 \text{ KWH}$$

- Dyeing and finishing (for machinery and illumination)

$$360\text{kw} \times 660\text{hr} \times 12 = 2,851,200 \text{ KWH}$$

- Utility section

$$310\text{kw} \times 660\text{hr} \times 12 = 2,455,200 \text{ KWH}$$

- General use

$$70\text{kw} \times 660\text{hr} \times 12 = 554,400 \text{ KWH}$$

- Total annual consumption

$$21,502,800 \text{ KWH}$$

- Monthly consumption

$$1,791,900 \text{ KWH}$$

On the other hand, maximum demand at peak time is:

Actual load 3,080kw/power factor 0.9×excess factor 5% = 3,600 KVA
 Power charge is established as follows.

Demand charge NRs 60/KVA

KWH charge NRs 0.85/KWH

Thus, charge for KWH is seeked as follows.

$3,600\text{KVA} \times \text{NRs } 60 + 1,791,900\text{kw} \times \text{NRs } 0.85/$

$1,791,900\text{kw} = \text{NRs } 0.97$

Therefore, annual power charge for full operation year can be got as follows.

$21,502,800\text{KWH} \times 0.97 = \text{NRs } 20,857,716$

5) Fuel charge

a) Fuel oil

Annual consumption of fuel oil can be known by means of evaporative multiplying factor on the basis of yearly steam consumption.

Spinning	$317\text{t}/13,859^* =$	22,873kg
Weaving	$7,920\text{t}/13,859 =$	571,470 "
Dyeing/fin.	$35,092\text{t}/13,859 =$	2,532,073 "
Total annual consumption		3,126,416 "

* Evaporative multiplying factor

$= \frac{\text{Supplying quantity of steam/fuel oil}}{\text{consumed}}$

Therefore, annual consumption of fuel oil is:

$3,126,416\text{kg} \times \text{NRs } 6.08/\text{kg} = \text{NRs } 19,008,609$

b) L. P. G. cost

Annual consumption of L. P. G. for dyeing and finishing section and for general use is assumed as 536,250kg to which NRs 10.85/kg of L. P. G. is applied and the cost will be NRs 5,818,312.

Total of a) and b) NRs 24,826,921

6) Water charge

a) Raw water treatment cost

Annual water consumption by section is as follows.

Spinning	12,210	cub. m
Weaving	22,110	"
Dyeing/finishing	408,540	"
Utility	196,680	"

General	16,500 //
Total	656,040 //

It is planned to get water through well from water source of Arjun river and its pumping cost is included in the power charge. Therefore, treatment chemical's cost is counted here.

$$656,040 \times 0.5 = \text{NRs } 328,020$$

b) Residual water treatment cost

Total consumption of chemicals for residual water treatment is assumed as 150 tons annually.

$$150\text{t} \times 7/\text{kg} = \text{NRs } 1,050,000 \text{ (Sulfuric acid)}$$

Total of a) and b) NRs 1,378,020

7) Labour cost

Salaries and allowances projected for the Project personnel on the basis of information about wage tariff for Government company and payment system of Hetauda Textile Industry are shown in table 17. And total sum of labour costs for the 1st year and after the 2nd year is shown in table 18.

8) Depreciation cost

Depreciation period shall be 20 years for buildings, 10 years for machinery and equipment and 5 years for vehicles, office equipment and furnitures and after the depreciation, no salvage value shall remain. Straight line method is adopted. Depreciable investments and depreciation schedule are shown in table 19 and 20.

6-3-2 Manufacturing Cost Statement

Calculation outcome of total manufacturing cost by using equivalent ratio method by product and process is shown in table 21 and 22. The calculation is based on the figure of each cost item of 6-3-1.

Table 17 Wages & Fringe Benefits Tariff for Government Companies

Unit: NRs/Month

Classification & Level Proposed Pay-scale	1st Year								2nd Year								
	Basic Wages	Dean. Allow	House Allow	Medical Allow	Provid Found	Night Shift	Bonus & Benefits	Total	Basic Wages	Dean. Allow	House Allow	Medical Allow	Provid. Found	Night Shift	Bonus & Benefits	Total	
<LABOUR CLASS>		(50RS/M)	(25%)	(8%)	(Sx10%)	(2RS/D)			(5%up)	(50RS/M)	(25%)	(8%)	(Sx10%)	(2RS/D)			
1 Unskilled Labour	325	50	81	26	48	42	31+50	653	358	50	90	29	53	42	30+50	702	
2 Semiskilled Labour	365	50	91	29	54	42	35+50	715	402	50	101	32	59	42	34+50	770	
3 Skilled Labour	452	50	113	36	65	42	42+50	850	499	50	125	40	71	42	42+50	919	
4 Highly Skilled Labour	598	50	150	48	85	42	54+50	1,077	659	50	165	53	93	42	55+50	1,167	
<TECHNICAL STAFF>																	
(@ NRs) (V)																	
2 520-10x20- 720	520		130	42	62	42	43+50	889	540		135	43	72	42	45+50	927	
3 600-10x23- 830	600		150	48	80	42	50+50	1,020	620		155	50	83	42	52+50	1,052	
4 717-10x28- 997	717		180	57	95	42	60+50	1,201	737		184	59	98	42	61+50	1,231	
5 895-10x34-1,235	895		224	72	119	42	75+50	1,477	915		229	73	122	42	76+50	1,507	Technical Staff
<ADM OFFICER>																	
(@ NRs) (V)																	
1 410-10x6- 470	410		103	33	55	50	34+50	735	430		108	34	57	50	36+50	765	
2 475- 8x9- 547	475		119	38	63	50	40+50	835	491		123	39	65	50	41+50	859	
3 545- 8x11- 633	545		136	44	73	50	45+50	943	561		140	45	75	50	47+50	968	
4 650- 8x13- 754	650		163	52	87	50	54+50	1,106	666		167	53	89	50	56+50	1,131	
5 815- 8x16- 943	815		204	65	108	50	68+50	1,360	831		208	66	111	50	69+50	1,385	Office Staff
6 1,300- 8x40-1,620	1,300		325	104	173	50	108+50	2,110	1,316		329	105	175	50	110+50	2,135	Asst. Chief
7 1,430- 9x40-1,790	1,430		358	114	190	50	119+50	2,311	1,448		362	116	193	50	121+50	2,340	Chief/Chief Officer
8 1,740- 7x50-2,090	1,740	Company's House		139	188	50	145+50	2,312	1,754	Company's House		140	189	50	146+50	2,329	Division Head
9 1,825- 8x50-2,225	1,825	"		148	197	50	152+50	2,420	1,841	"		147	199	50	153+50	2,440	Manager
10 2,320-10x60-2,920	2,320	"		186	251	50	193+50	3,050	2,340	"		187	253	50	195+50	3,075	
11 2,640- 8x70-3,200	2,640	"		211	285	50	220+50	3,456	2,656	"		212	287	50	221+50	3,476	General Manager
<DRIVER>																	
Small Car 600-5NRsX13Y-665	600		150	48	80	50	50+50	1,028	610		153	49	81	50	51+50	1,044	Driver
Large Car 715-5NRsX16Y-795	715		179	57	95	50	60+50	1,206	725		181	58	96	50	60+50	1,220	Bus Driver
<DOCTOR>																	
Health Assist 895	895		224	72	119	50	75+50	1,485	915		229	73	122	50	76+50	1,515	
Doctor 1,800	1,800		450	144	239	50	150+50	2,883	1,820		455	146	242	50	152+50	2,915	
<TEMPORARTY WORKER>																	
Daily Wage (240 Days)	13NRs/Dx25=325					2x25	50	425	13NRs/Dx25D/M=325+50					50		425	Temporary Employee

Table 18 Total Labour Cost Per Year

	1st Year									2nd Year								
	Salary /Month	Spinning		Weaving		Dyeing & Finishing		Total		Salary /Month	Spinning		Weaving		Dyeing & Finishing		Total	
		Labours M.Month	Labour Cost NRs	Labours M.Month	Labour Cost NRs	Labours M.Month	Labour Cost NRs	Labours M.Month	Labour Cost NRs		Labours M.Month	NRs	Labours M.Month	NRs	Labour Cost NRs	Labour Cost NRs	Labours M.Month	NRs
Division Head	2,312	12	27,744	12	27,744	12	27,744	36	83,232	2,329	12	27,948	12	27,948	12	27,948	36	83,844
Chief/Supervisor	2,311	72	166,392	60	138,660	72	166,392	204	471,444	2,340	72	168,480	60	140,400	72	168,480	204	477,360
Foreman	1,477	240	354,480	147	217,119	90	132,930	477	704,529	1,507	264	397,848	180	271,260	132	198,924	576	868,032
Leader	1,077	260	280,020	296	318,792	243	261,711	799	860,523	1,167	300	350,100	384	448,128	372	434,124	1,056	1,232,352
Highly Skilled /Skilled Labour	1,077/850	1,882	1,685,960	2,351	1,998,350			4,233	3,684,310	1,167/919	2,196	2,128,236	3,000	2,757,000			5,196	4,885,236
Semi-skilled Labour	783/715	130	92,950			501	392,283	631	485,233	845/770	156	120,120			852	719,940	1,008	840,060
Unskilled Labour	653	454	296,462	233	152,149	203	132,559	890	581,170	702	540	379,080	288	202,176	300	210,600	1,128	791,856
Total		3,050	2,904,008	3,099	2,852,814	1,121	1,113,619	7,270	6,870,441		3,540	3,571,812	3,924	3,846,912	1,740	1,760,016	9,204	9,178,740

	1st Year							2nd Year						
	Salary /Month	Utility		Administration		Total		Salary /Month	Utility		Administration		Total	
		Labours M.Month	Labours Cost NRs	Labours M.Month	Labours Cost NRs	Labours M.Month	Labours Cost NRs		Labours M.Month	NRs	Labours M.Month	NRs	Labours M.Month	NRs
General Manager	3,456			12	41,472	12	41,472	3,476			12	41,712	12	41,712
Manager	2,420			24	58,080	24	58,080	2,440			24	58,560	24	58,560
Division Head	2,312	12	27,744	60	138,720	72	166,464	2,329	12	27,948	60	139,740	72	167,688
Chief/Chief Officer	2,311	24	55,464	156	360,516	180	415,980	2,340	24	56,160	156	365,040	180	421,200
Asst. Chief	2,110	24	50,640			24	50,640	2,135	24	51,240			24	51,240
Technical Staff	1,477	120	177,240			120	177,240	1,507	120	180,840			120	180,840
Officer/Staff	1,360			60	81,600	60	81,600	1,385			60	83,100	60	83,100
	1,201	30	36,030			30	36,030	1,231	30	36,930			30	36,930
	1,106			60	66,360	60	66,360	1,131			60	67,860	60	67,860
Highly Skilled/Skilled	1,077/850	246	255,181			246	255,181	1,167/919	246	276,418			246	276,418
Semi-skilled Labour	835/715	60	42,900	60	50,100	120	93,000	859/770	60	46,200	60	51,540	120	97,740
Unskilled Labour	653	12	7,836	180	117,540	192	125,376	702	12	8,424	180	126,360	192	134,784
Bus Driver	1,206			24	28,944	24	28,944				24	29,280	24	29,280
Driver	1,028			72	74,016	72	74,016				72	75,168	72	75,168
Total		528	653,035	708	1,017,348	1,236	1,670,383		528	684,160	708	1,038,360	1,236	1,722,520

Table 19 Depreciable Investment

		'000 NRs.
BUILDING		
Site Levelling	(¥ 55,000,000)	6,548
Civil/Building Works	(¥ 1,145,260,000)	136,340
Contingency	(¥ 60,013,000)	7,144
TOTAL	(¥ 1,260,273,900)	150,032
PLANT & MACHINERY		
Cif Cost of Machinery & Equipment	(¥ 3,460,961,000)	412,019
Import Duties	(¥ 35,227,000)	4,194
Port Clearance	(¥ 88,067,000)	10,484
Inland Transport	(¥ 120,632,000)	14,361
Erection Cost	(¥ 31,539,000)	3,755
Supervising Fee	(¥ 214,101,000)	25,488
Engineering Fee	(¥ 315,630,000)	37,575
Training Fee	(¥ 252,890,000)	30,106
Preoperational Cost	(¥ 63,688,000)	7,582
Contingency	(¥ 232,235,000)	27,647
TOTAL	(¥ 4,814,970,000)	573,211
VEHICLES, FURNITURE & OFFICE EQPT.		
Vehicle	(¥ 54,228,000)	6,456
Furniture	(¥ 13,500,000)	1,607
TOTAL	(¥ 67,728,000)	8,063
GRAND TOTAL	(¥ 6,142,971,000)	731,306

Table 20 Depreciation Schedule

UNIT: NRs' 1,000

Year	Building	Plant & Machinery	Vehicle, Furnitures, etc.	Total
Opening Value	150,032	573,211	8,063	731,306
Fixed Assets Life	20 years	10 years	5 years	
1	7,513	57,322	1,615	66,450
2	7,501	57,321	1,612	66,434
3	7,501	57,321	1,612	66,434
4	7,501	57,321	1,612	66,434
5	7,501	57,321	1,612	66,434
6	7,501	57,321		64,822
7	7,501	57,321		64,822
8	7,501	57,321		64,822
9	7,501	57,321		64,822
10	7,501	57,321		64,822
11	7,501			7,501
12	(7,501)			(7,501)
13	(7,501)			(7,501)
14	(7,501)			(7,501)
15	(7,501)			(7,501)
16	(7,501)			(7,501)
17	(7,501)			(7,501)
18	(7,501)			(7,501)
19	(7,501)			(7,501)
20	(7,501)			(7,501)
Accummulated Depreciation	82,523	573,211	8,063	663,797
Closing Value	67,509	—	—	67,509

Table 21 Manufacturing Cost Analysis

	Production 1,000 m	Equivalent Ratio			Converted	Converted	Processing Cost /m	Raw	Manufac-	Total
		S.	W.	P.	Production Volume 1,000 m	Processing Cost NRs' 000		Material Cost /m	turing Cost /m	Manufacturing Cost NRs' 000
Shirting Plain Bleached	260 (137)	1.0064	x 0.809	x 0.793	168	2,213	8.51	3.50	12.01	3,123
Shirting Plain Dyed	2,338 (1,238)	1.0064	x 0.809	x 1.074	2,044	26,919	11.51	3.50	15.01	35,093
Shirting Dobby Bleached	274 (150)	1.0060	x 1.000	x 0.738	203	2,674	9.76	3.92	13.68	3,748
Shirting Dobby Dyed	2,470 (1,345)	1.0060	x 1.000	x 1.000	2,485	32,727	13.25	3.92	17.17	42,410
Suiting Bleached	268 (120)	0.8719	x 1.178	x 1.141	314	4,135	15.43	6.62	22.05	5,909
Suiting Dyed	2,409 (1,080)	0.8719	x 1.178	x 1.541	3,813	50,217	20.85	6.62	27.47	66,175
Twill Bleached	244 (120)	0.8716	x 1.208	x 1.272	327	4,307	17.65	7.32	24.97	6,093
Twill Dyed	2,195 (1,115)	0.8716	x 1.208	x 1.714	3,961	52,166	23.77	7.32	31.09	68,243
Total	10,458 (5,305)				13,315					230,794
		()	First year's		175,321					
			production		13,315					= 13.17

Table 22 Total Manufacturing Cost

(Unit : NRs' 000)

	1	2	3	4	5	6	7	8	9	10
RAW MATERIAL COST (A)										
Cotton	15,796	28,291	28,291	28,291	28,291	28,291	28,291	28,291	28,291	28,291
Polyester	15,177	27,182	27,182	27,182	27,182	27,182	27,182	27,182	27,182	27,182
Total Raw Material Cost	30,973	55,473	55,473	55,473	55,473	55,473	55,473	55,473	55,473	55,473
VARIABLE COST (B)										
Auxiliary Material	21,182	37,527	37,527	37,527	37,527	37,527	37,527	37,527	37,527	37,527
- Weaving	5,297	9,487	9,487	9,487	9,487	9,487	9,487	9,487	9,487	9,487
- Dyeing & Finishing	15,885	28,040	28,040	28,040	28,040	28,040	28,040	28,040	28,040	28,040
Packing Material	160	283	283	283	283	283	283	283	283	283
- Dyeing & Finishing	160	283	283	283	283	283	283	283	283	283
Power Charge	10,429	20,858	20,858	20,858	20,858	20,858	20,858	20,858	20,858	20,858
Fuel Charge	12,413	24,827	24,827	24,827	24,827	24,827	24,827	24,827	24,827	24,827
Water Charge	689	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378
Total Variable Cost	44,873	84,873	84,873	84,873	84,873	84,873	84,873	84,873	84,873	84,873
FIXED COST (C)										
Labour Expenses	8,541	10,901	10,901	10,901	10,901	10,901	10,901	10,901	10,901	10,901
- Spinning	2,904	3,572	3,572	3,572	3,572	3,572	3,572	3,572	3,572	3,572
- Weaving	2,853	3,847	3,847	3,847	3,847	3,847	3,847	3,847	3,847	3,847
- Dyeing & Finishing	1,114	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760
- Utility	653	684	684	684	684	684	684	684	684	684
- Administration	1,017	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038
Maintenance Expenses	2,100	5,220	8,375	10,439	10,439	10,439	10,439	10,439	10,439	10,439
- Spinning	595	1,488	2,381	2,976	2,976	2,976	2,976	2,976	2,976	2,976
- Weaving	1,039	2,597	4,155	5,193	5,193	5,193	5,193	5,193	5,193	5,193
- Dyeing & Finishing	383	957	1,530	1,913	1,913	1,913	1,913	1,913	1,913	1,913
- Utility	83	178	309	357	357	357	357	357	357	357
Depreciation	66,450	66,434	66,434	66,434	66,434	64,822	64,822	64,822	64,822	64,822
- Building	7,513	7,501	7,501	7,501	7,501	7,501	7,501	7,501	7,501	7,501
- Plant	57,322	57,321	57,321	57,321	57,321	57,321	57,321	57,321	57,321	57,321
- Vehicles & Office Equipt.	1,615	1,612	1,612	1,612	1,612	-	-	-	-	-
Overhead Expenditure	2,666	2,674	2,674	2,674	2,674	2,674	2,674	2,674	2,674	2,674
Total Fixed Cost	79,757	85,229	88,384	90,448	90,448	88,836	88,836	88,836	88,836	88,836
MANUFACTURING COST (B+C)	124,630	170,102	173,257	175,321	175,321	173,709	173,709	173,709	173,709	173,709
TOTAL MANUFACTURING COST (A+B+C)	155,603	225,575	228,730	230,794	230,794	229,182	229,182	229,182	229,182	229,182

6-4 Production and Sales Projection

6-4-1 Sales Price

Sales price shall be established adding 30% profits, transportation cost and insurance premium, sales tax and excise duty to the production cost at 4th and 5th year after operation when the manufacturing cost turns to be highest during the project life. The sales price plus wholesale and retail commission established as 22.5% constitutes the retail price, which is situated between c. i. f. Calcutta price and market price in Nepal of imported goods being effective as price of replacement of imported goods. The breakdown of sales price and retail price is shown in table 23.

Excise duty is exempted during 3 years after start up because the Project is classified in large industry (excise duty facilities). It is calculated on the basis of actual tax ratio to the blended textile goods since 4th year of the operation. Sales tax rate to the blended textile goods is 20% and it is calculated on the higher basis of following:

- 1) Factory cost+excise duty+distribution cost
- 2) (Factory cost+excise duty)×10% mark up

Note. Distribution cost is profit, transport and insurance cost.

As in this case, 1) > 2), the sales tax is computed as 1) × 20%. Transport and insurance cost for the calculation of sales tax is assumed as 3% per metre of product of factory cost.

Sales price at the 4th year when excise duty starts to be levied shall be applied from the first year.

Table 23 Selling Cost and Price

(Unit: NRs/m)

Items	Manufacturing Cost NRs/m (A)	Profit (30%) A×0.3=(B)	Transportation, etc. A×0.03=(C)	Excise Duty (D)	Sales Tax (20%) (E) A+B+C+D×0.2	Sales Price (F) A+B+C+D+E	Retail Price (22.5%) F×1.225	Market Price of Imported Goods	Imported goods CIF Calcutta
1. Shirting Bleached	12.01	3.60	0.36	2.94	3.78	22.69	27.80	60	20.5
Plain Dyed	15.01	4.50	0.45	2.94	4.58	27.48	33.66	65	22.5
2. Shirting Bleached	13.68	4.10	0.41	2.94	4.23	25.36	31.07	60	20.5
Dobby Dyed	17.17	5.15	0.52	2.94	5.16	30.94	37.90	65	22.5
3. Suiting Bleached	22.05	6.62	0.66	6.93	7.25	43.51	53.30	—	—
Dyed	27.47	8.24	0.82	6.93	7.69	51.15	62.66	125 ~ 220	43 ~ 75
4. Twill Bleached	24.97	7.49	0.75	7.14	8.07	48.42	59.31	—	—
Dyed	31.09	9.33	0.93	7.14	9.70	58.19	71.28	125 ~	43 ~

6-4-2 Sales Revenue of Products

Net sales revenue after deducting excise duty and sales tax from sales amount of products at the 1st year, 2nd/3rd year and after 4th year are shown respectively in table 24 25 and 26.

Generating ratio of B/C class fabric at the 1st year is supposed to be 5% and 3% from the 2nd year (Sales price of B/C class fabric is established as half of ordinary fabric).

Table 24 Yearly Sales Revenue for 1st Year after Operation

Kind	Item Class	Unit	Production	Sales Price	Sales Amount	Excise Duty	Sales Tax	Net Sales Amount
			Th.m /Year	NRs/m	(A) NRs'000	(B) NRs'000		(A) - (B) NRs'000
Shirting Plain Bleached	A		130	22.69	2,950		437	2,592
	B, C		7	11.35	79			
Shirting Plain Dyed	A		1,176	27.48	32,316		4,940	28,228
	B, C		62	13.74	852			
Shirting Dobby Bleached	A		142	25.36	3,601		546	3,156
	B, C		8	12.68	101			
Shirting Dobby Dyed	A		1,278	30.94	39,541		6,147	34,430
	B, C		67	15.47	1,036			
Suiting Bleached	A		114	43.51	4,960		704	4,387
	B, C		6	21.76	131			
Suiting Dyed	A		1,026	51.15	52,480		6,815	47,046
	B, C		54	25.58	1,381			
Twill Bleached	A		114	48.42	5,520		797	4,868
	B, C		6	24.21	145			
Twill Dyed	A		1,059	58.19	61,623		9,221	54,032
	B, C		56	29.10	1,630			
Total			5,305		208,346		29,607	178,739

Table 25 Yearly Sales Revenue for 2nd and 3rd Year after Operation

Kind	Item Class	Unit	Production	Sales Price	Sales Amount	Excise Duty	Sales Tax	Net Sales Amount
			Th.m /Year	NRs/m	(A) NRs'000	(B) NRs'000		(A) - (B) NRs'000
Shirting Plain Bleached	A		252	22.69	5,718		829	4,980
	B, C		8	11.35	91			
Shirting Plain Dyed	A		2,268	27.48	62,325		9,329	53,958
	B, C		70	13.74	962			
Shirting Dobby Bleached	A		266	25.36	6,746		997	5,850
	B, C		8	12.68	101			
Shirting Dobby Dyed	A		2,396	30.94	74,132		11,288	63,989
	B, C		74	15.47	1,145			
Suiting Bleached	A		260	43.51	11,313		1,573	9,914
	B, C		8	21.76	174			
Suiting Dyed	A		2,337	51.15	119,538		15,201	106,179
	B, C		72	25.58	1,842			
Twill Bleached	A		237	48.42	11,476		1,620	10,025
	B, C		7	24.21	169			
Twill Dyed	A		2,129	58.19	123,887		18,153	107,655
	B, C		66	29.10	1,921			
Total			10,458		421,540		58,990	362,550

Table 26 Sales Revenue after 4th Year of Operation

Kind	Item Class	Production	Sales Price	Sales Amount	Excise Duty	Sales Tax	Net Sales Amount
		Th.m /Year	NRs/m	(A) NRs'000	(B) NRs'000		(A) - (B) NRs'000
Shirting Plain Bleached	A	252	22.69	5,718	764	983	4,062
	B, C	8	11.35	91			
Shirting Plain Dyed	A	2,268	27.48	62,325	6,874	10,708	45,705
	B, C	70	13.74	962			
Shirting Dobby Bleached	A	266	25.36	6,746	806	1,159	4,882
	B, C	8	12.68	101			
Shirting Dobby Dyed	A	2,396	30.94	74,132	7,262	12,745	55,270
	B, C	74	15.47	1,145			
Suiting Bleached	A	260	43.51	11,313	1,857	1,943	7,687
	B, C	8	21.76	174			
Suiting Dyed	A	2,337	51.15	119,538	16,694	18,525	86,161
	B, C	72	25.58	1,842			
Twill Bleached	A	237	48.42	11,476	1,742	1,969	7,934
	B, C	7	24.21	169			
Twill Dyed	A	2,129	58.19	123,887	15,672	21,292	88,844
	B, C	66	29.10	1,921			
Total		10,458		421,540	51,671	69,324	300,545

6-4-3 Sales Revenue of Wastes

Sales amount of wastes after 2nd year is shown in table 27.

Table 27 Sales Revenue of Wastes

<u>Material</u>	<u>Waste</u>	<u>Generation</u> ratio (kg)	<u>Unit</u> price	<u>Revenue</u>
Cotton	Blow room waste	34,673	4.68	162,270
	Card flat	19,506	12.00	234,072
	Card waste	12,989	11.27	146,386
	Comber noil	143,341	18.00	2,580,138
Polyester	Flat and waste	12,387	6.00	74,322
Blended	Sweeps	3,618	2.07	7,489
Total		226,514	NRs	3,204,677

Sales revenue in the first year is supposed to be 50% of the above, being NRs 1,602,000.

6-4-4 Total Sales Revenue

Total sales revenue of products and wastes are:

1st year of operation	180,341	Th. NRs/year
2nd/3rd year of operation	365,755	"
After 4th year of operation	303,750	"

6-5 Financial Statements

6-5-1 Income Statement

Profit and loss totalling 11 years after start up when all loans are repaid is shown in table 28-1 (Case 1) and 28-2 (Case 2). Incomes and total costs in the 6th year in which the operation becomes stable are summarized as follows.

	Income (A)	Total costs (B)				Profit before tax	(A) - (B)
		Cost	Interest	Amortization	Total		
Case 1	304	229	54	12	295	9	
Case 2	304	229	44	10	283	21	

(Unit: NRs Million)

Case 1 of total loans with higher interest payment and amortization of interests during

construction is pressurizing the profitability. The proportion of total costs in the 6th year is shown bellow.

Cost	Case 1		Case 2	
	Amount	%	Amount	%
Raw material	55	19	55	19
Other materials	38	13	38	13
Energy cost	47	16	47	17
(Total variable costs)	140	48	140	49
Labour cost	11	4	11	4
Maintenance	10	3	4	4
Depreciation	65	22	65	23
Other expenses	3	1	3	1
Interest	54	18	44	15
Amortization	12	4	10	4
(Total fixed costs)	156	52	144	51
Total Costs	296	100	284	100

(Unit NRs Million)

The fact that raw material cost and other material costs constitutes about 30% of total costs is reflecting a favourable condition of using national cotton and low international market price of polyester fibre, though taken into account polyester and auxiliary materials to be imported. Cheaper labour cost also works favourably. Interest proves to be high, since relatively high interest rate of 10.5% is adopted.

1) Income tax

a) Tax incentive

According to the provision of income tax concession in Industrial Enterprises Act 2038 (1982), this tax is exempted during 5 years after start up to the enterprises whose added value (ratio that may remain after deducting the amount of raw and auxiliary materials imported, wages and consultancy fee paid to foreigners and depreciation amount of imported fixed assets, from the cost of annual gross production) is 20 to 50%. Additional one year's exemption is authorized for every 10% increase in the value added above 50%. The value added is calculated below.

Total of domestic costs (NRs' 000)

Raw materials	1st year	15,796
	2nd year	28,291
Electric charge	1st year	10,429
	2nd year	20,858

Water charge	1st year	689
	2nd year	1,378
Labour cost	1st year	8,541
	2nd year	10,901
Maintenance cost	1st year	210
	2nd year	522
	3rd year	838
	4th year	1,044
Depreciation	1st year	4,508
	2/5 year	4,503
	6th year	4,360

Note:

- Domestic maintenance cost is assumed to be 10% of total maintenance cost.
- Domestic portion in depreciation cost is as follows.

Building	32.9%
Plant & machinery	3.3%
Vehicles	8.9%

From the above, the value added by year is as follows

1st year	$40,173/155,603=25.8\%$
2nd year	$66,453/225,575=29.5\%$
3rd year	$66,769/228,730=29.2\%$
4/5 year	$66,975/230,794=29.0\%$
6th year	$66,832/229,182=29.2\%$

As the value added presumed of the Project is between 20 and 30%, the income tax has holiday during 5 years after operation start-up. The Project producing essential consumer goods shall be granted two years exemption and shall be entitled to income tax remission for another two years because of being industry based on local raw materials (cotton). After all, it is interpreted that the Project shall be entitled to income tax remission for 9 years after the date of operation start.

b) Calculation of tax

Presumed and simplified tax rate shall be applied for the purpose of financial calculation taking into account the actual state of tax rate structure.

Annual net income deducting expenses deductible (Profit before tax)	Rate
Less than 10 million NRs	10%

10 to 50 million NRs	15%
50 to 100 million NRs	20%
More than 100 million NRs	25%

Case 1	10th year	$46,059.4 \times 15\% = 6,908.9$	Th. NRs
	11th year	$124,851.5 \times 25\% = 31,212.9$	∕
Case 2	10th year	$50,933.0 \times 20\% = 10,186.6$	∕
	11th year	$126,203.9 \times 25\% = 31,551.0$	∕

2) Other taxes

Reduction of sales revenue from the 4th year is attributed to the excise duty levied after 3 years holiday and net sales revenue after deducting excise duty has come down. Also, sales tax is increasing because this is levied on the basis of sales price plus excise duty. Though there is no ground for further concession of tax holiday of excise duty according to the law in force, if the Project can enjoy further exemption for 5 years due to location in under developed area, its profitability will greatly improve during initial 10 years when the burden of depreciation and interest payment is not so light, thus deficits in 4th and 5th year of case 1 being avoidable.

Tax payment to be expected during 11 years after the start up will amount to:

Corporate tax:	38,122	Th. rupees	
Sales tax:	702,179	∕	
Excise duty:	413,368	∕	
Total	1,153,669	∕	(26% of total sales revenue)

3) Profitability and profit ratio

Mean operating profit ratio during 11 years

Case 1	28.5%	Case 2	28.5%
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Mean ordinary income ratio during 11 years

Case 1	7.4%	Case 2	11.3%
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Mean profit after tax ratio during 11 years

Case 1	6.3%	Case 2	10.1%
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The graph of each year profit ratio is shown in figure 1-1 and 1-2.

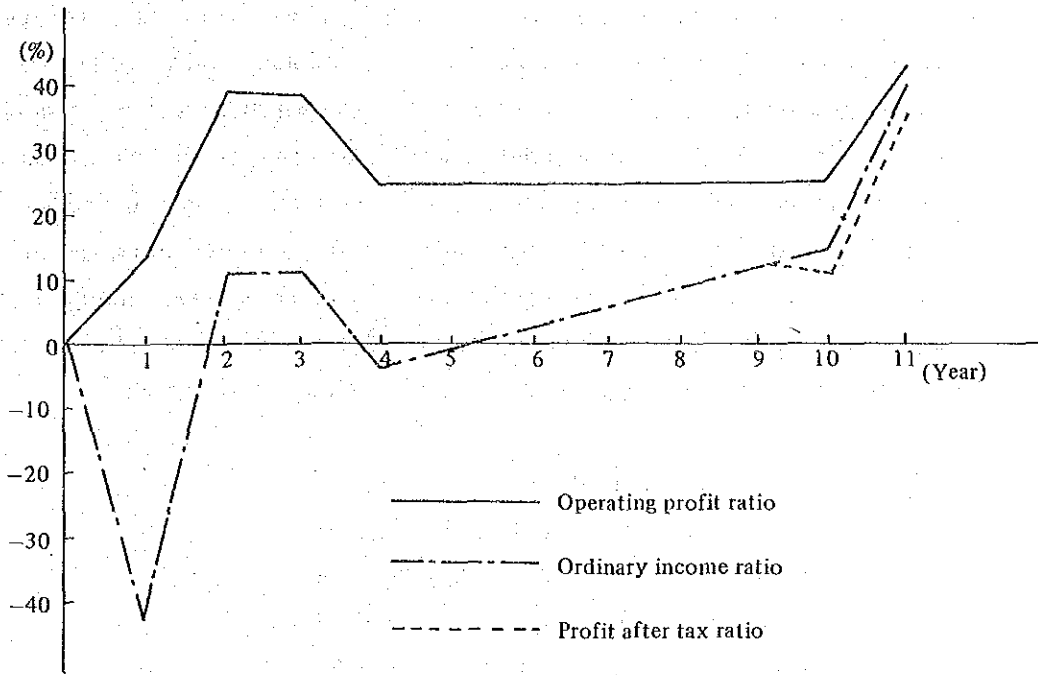


Fig. 1-1 Profit curve (Case 1)

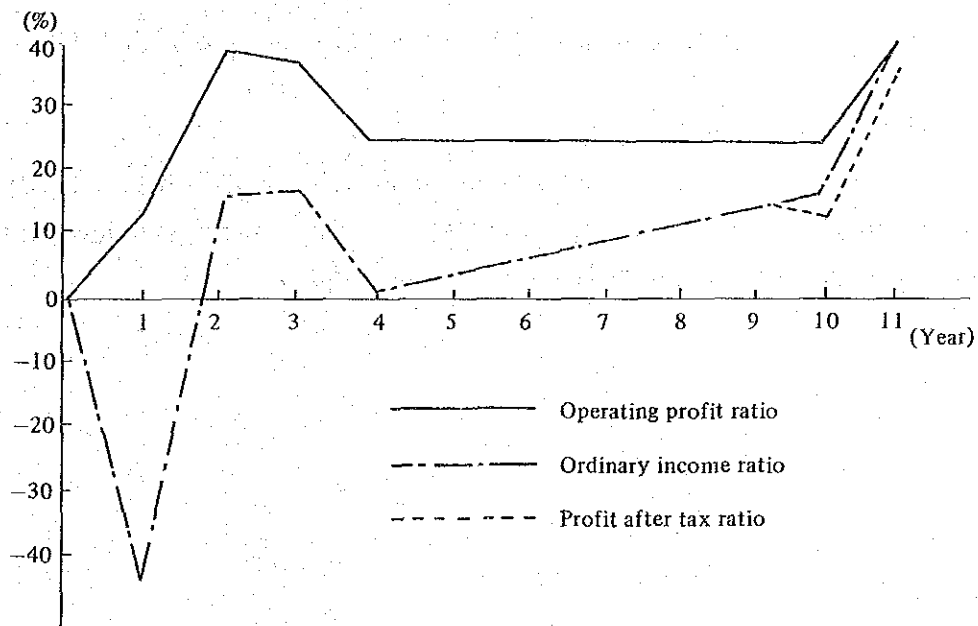


Fig. 1-2 Figure of profit curve (Case 2)

Ordinary income and profit after tax of case 1 is worse than case 2 because of its heavier burden of interest due to the investment by all loans (difference of 120 million rupees in 11 years). In the first year after start up of operation, ordinary income turns out to be deficit of 43%, since fixed cost and interest payment is as usual when production is only half. From the 4th year in which excise duty is levied for the first time and interest burden continues yet, sales revenue decreases and profitability falls down. From the 11th year when depreciation of machinery and repayment of principal and interest is finished, the profitability improves to a great extent. Therefore, income tax to be levied on from 10th years is not so affecting the profits.

Total operating profits during the project life	
Case 1	953 million rupees
Case 2	953 million rupees
Total profits before tax during the project life	
Case 1	248 million rupees
Case 2	378 million rupees
Total profits after tax during the project life	
Case 1	210 million rupees
Case 2	337 million rupees

6-5-2 Balance Sheet

Proforma balance sheet of Case 1 and 2 is shown in table 29-1 and 29-2.

6-5-3 Fund Flow Statement

Proforma fund statement of Case 1 and 2 is shown in table 30-1 and 30-2. Deficits on cash flow are found neither in Case 1 nor in Case 2, from which it is judged no need of additional borrowing of short term loan for working capital.

Table 28-1 Proforma Income Statement (Case 1)

(Unit: NRs 1, 000)

		1	2	3	4	5	6	7	8	9	10	11	Total
A. Revenue		180,341.0	365,755.0	365,755.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	3,341,851.0
B. Raw Material Cost		30,973.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	585,703.0
C. Variable Cost		44,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	893,603.0
Auxiliary Material		21,182.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	396,452.0
Packing Material		160.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	2,990.0
Power Charge		10,429.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	219,009.0
Fuel Charge		12,413.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	260,683.0
Water Charge		689.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	14,469.0
D. Fixed Cost		79,757.0	85,229.0	88,384.0	90,448.0	90,448.0	88,836.0	88,836.0	88,836.0	88,836.0	88,836.0	31,515.0	909,961.0
Labour Expenses		8,541.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	117,551.0
Maintenance Expenses		2,100.0	5,220.0	8,375.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	99,207.0
Depreciation		66,450.0	66,434.0	66,434.0	66,434.0	66,434.0	64,822.0	64,822.0	64,822.0	64,822.0	64,822.0	7,501.0	663,797.0
Overhead Expenditure		2,666.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	29,406.0
E. Manufacturing Cost	(B+C+D)	155,603.0	225,575.0	228,730.0	230,794.0	230,794.0	229,182.0	229,182.0	229,182.0	229,182.0	229,182.0	171,861.0	2,389,267.0
F. Operating Profit	(A-E)	24,738.0	140,180.0	137,025.0	72,956.0	72,956.0	74,568.0	74,568.0	74,568.0	74,568.0	74,568.0	131,889.0	952,584.0
G. Financial Charges		90,707.6	91,486.2	82,102.9	72,719.8	63,336.5	53,953.4	44,570.1	35,187.0	25,803.8	16,420.6	7,037.5	583,325.4
Interest on L-T Debt (Forign 10.5%)		80,883.1	78,860.9	70,772.6	62,684.3	54,596.0	46,507.7	38,419.4	30,331.1	22,242.9	14,154.5	6,066.3	505,518.8
Interest on L-T Debt (Local 12%)		9,824.5	12,625.3	11,330.3	10,035.5	8,740.5	7,445.7	6,150.7	4,855.9	3,560.9	2,266.1	971.2	77,806.6
Interest on S-T Debt (Local 17%)													
H. Amortization		12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0		120,880.0
I. Total Cost of Sales	(E+G+H)	258,398.6	329,149.2	322,920.9	315,601.8	306,218.5	295,223.4	285,840.1	276,457.0	267,073.8	257,690.6	178,898.5	3,093,472.4
J. Income before Tax	(F-G-H)	-78,057.6	36,605.8	42,834.1	-11,851.8	-2,468.5	8,526.6	17,909.9	27,293.0	36,676.2	46,059.4	124,851.5	248,378.6
K. Income Tax											6,908.9	31,212.9	38,121.8
L. Net Income	(J-K)	-78,057.6	36,605.8	42,834.1	-11,851.8	-2,468.5	8,526.6	17,909.9	27,293.0	36,676.2	39,150.5	93,638.6	210,256.8
M. Accumulated Income		-78,057.6	-41,451.8	1,382.3	-10,469.5	-12,938.0	-4,411.4	13,498.5	40,791.5	77,467.7	116,618.2	210,256.8	210,256.8
N. Ratio (%)													
Operating Profit		13.7	38.3	37.5	24.0	24.0	24.5	24.5	24.5	24.5	24.5	43.4	28.5
Income before Tax		-43.2	10.0	11.7	-3.9	-0.8	2.8	5.9	9.0	12.1	15.2	41.1	7.4
Net Income		-43.2	10.0	11.7	-3.9	-0.8	2.8	5.9	9.0	12.1	12.9	30.8	6.3

Table 28-2 Proforma Income Statement (Case 2)

(Unit: NRs 1,000)

		1	2	3	4	5	6	7	8	9	10	11	Total
A. Revenue		180,341.0	365,755.0	365,755.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	3,341,851.0
B. Raw Material Cost		30,973.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	585,703.0
C. Variable Cost		44,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	893,603.0
Auxiliary Material		21,182.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	396,452.0
Packing Material		160.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	2,990.0
Power Charge		10,429.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	219,009.0
Fuel Charge		12,413.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	260,683.0
Water Charge		689.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	14,469.0
D. Fixed Cost		79,757.0	85,229.0	88,384.0	90,448.0	90,448.0	88,836.0	88,836.0	88,836.0	88,836.0	88,836.0	31,515.0	909,961.0
Labour Expenses		8,541.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	117,551.0
Maintenance Expenses		2,100.0	5,220.0	8,375.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	99,207.0
Depreciation		66,450.0	66,434.0	66,434.0	66,434.0	66,434.0	64,822.0	64,822.0	64,822.0	64,822.0	64,822.0	7,501.0	663,797.0
Overhead Expenditure		2,666.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	29,406.0
E. Manufacturing Cost	(B+C+D)	155,603.0	225,575.0	228,730.0	230,794.0	230,794.0	229,182.0	229,182.0	229,182.0	229,182.0	229,182.0	171,861.0	2,389,267.0
F. Operating Profit	(A-E)	24,738.0	140,180.0	137,025.0	72,956.0	72,956.0	74,568.0	74,568.0	74,568.0	74,568.0	74,568.0	131,889.0	952,584.0
G. Financial Charges		72,675.7	73,905.2	66,325.0	58,745.1	51,165.0	43,585.1	36,005.0	28,425.0	20,845.0	13,265.0	5,685.1	470,626.2
Interest on L-T Debt (Foreign 10.5%)		62,851.2	61,279.9	54,994.7	48,709.6	42,424.5	36,139.4	29,854.3	23,569.1	17,284.1	10,998.9	4,713.9	392,819.6
Interest on L-T Debt (Local 12%)		9,824.5	12,625.3	11,330.3	10,035.5	8,740.5	7,445.7	6,150.7	4,855.9	3,560.9	2,266.1	971.2	77,806.6
Interest on S-T Debt (Local 17%)													
H. Amortization		10,373.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0		103,703.0
I. Total Cost of Sales	(E+G+H)	238,651.7	309,850.2	305,425.0	299,909.1	292,329.0	283,137.1	275,557.0	267,977.0	260,397.0	252,817.0	177,546.1	2,963,596.2
J. Income before Tax	(F-G-H)	-58,310.7	55,904.8	60,330.0	3,840.9	11,421.0	20,612.9	28,193.0	35,773.0	43,353.0	50,933.0	126,203.9	378,254.8
K. Income Tax											10,186.6	31,551.0	41,737.6
L. Net Income	(J-K)	-58,310.7	55,904.8	60,330.0	3,840.9	11,421.0	20,612.9	28,193.0	35,773.0	43,353.0	40,746.4	94,652.9	336,517.2
M. Accumulated Income		-58,310.7	-2,405.9	57,924.1	61,765.0	73,186.0	93,798.9	121,991.9	157,764.9	201,117.9	241,864.3	336,517.2	336,517.2
N. Ratio (%)													
Operating Profit		13.7	38.3	37.5	24.0	24.0	24.5	24.5	24.5	24.5	24.5	43.4	28.5
Income before Tax		-43.3	15.3	16.5	1.3	3.8	6.8	9.3	11.8	14.3	16.8	41.5	11.3
Net Income		-43.3	15.3	16.5	1.3	3.8	6.8	9.3	11.8	14.3	13.4	31.2	10.1

Table 29-1 Proforma Balance Sheet (Case 1)

Unit : NRs' 000

ITEM/YEAR	-2/1	1	2	3	4	5	6	7	8	9	10	11
A. CURRENT ASSETS												
Cash		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Receivables		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Inventories		23,027.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0
Total		26,037.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0
B. CASH SURPLUS		480.4	11,099.0	44,632.9	23,480.9	11,712.2	9,326.6	16,324.3	32,705.1	58,469.1	86,707.4	100,024.8
C. FIXED ASSETS												
Building	150,032.0	142,519.0	135,018.0	127,517.0	120,016.0	112,515.0	105,014.0	97,513.0	90,012.0	82,511.0	75,010.0	67,509.0
Plant & Machinery	573,211.0	515,889.0	458,568.0	401,247.0	343,926.0	286,605.0	229,284.0	171,963.0	114,642.0	57,321.0		
Vehicles & Furnitures	8,063.0	6,448.0	4,836.0	3,224.0	1,612.0							
Total	731,306.0	664,856.0	598,422.0	531,988.0	465,554.0	399,120.0	334,298.0	269,476.0	204,654.0	139,832.0	75,010.0	67,509.0
D. DIFERRED ASSETS												
Deficit		78,057.6	41,451.8		10,469.5	12,938.0	4,411.4					
Interest d. Construction	120,880.0	108,792.0	96,704.0	84,616.0	72,528.0	60,440.0	48,352.0	36,264.0	24,176.0	12,088.0		
Total	120,880.0	186,849.6	138,155.8	84,616.0	82,997.5	73,378.0	52,763.4	36,264.0	24,176.0	12,088.0		
E. TOTAL ASSETS	852,186.0	878,223.0	790,399.8	703,959.9	614,755.4	526,933.2	439,111.0	364,787.3	304,258.1	253,112.1	204,440.4	210,256.8
F. LONG TERM DEBT												
Foreign Loan	770,315.0	770,315.0	693,282.6	616,251.2	539,219.8	462,188.4	385,157.0	308,125.6	231,094.2	154,062.8	77,031.4	
Local Loan	81,871.0	107,908.0	97,117.2	86,326.4	75,535.6	64,744.8	53,954.0	43,163.2	32,372.4	21,581.6	10,790.8	
Total	852,186.0	878,223.0	790,399.8	702,577.6	614,755.4	526,933.2	439,111.0	351,288.8	263,466.6	175,644.4	87,822.2	
G. EQUITY												
Share Capital												
Retained Earnings				1,382.3				13,498.5	40,791.5	77,467.7	116,618.2	210,256.8
Total				1,382.3				13,498.5	40,791.5	77,467.7	116,618.2	210,256.8
H. TOTAL LIABILITIES & EQUITY	852,186.0	878,223.0	790,399.8	703,959.9	614,755.4	526,933.2	439,111.0	364,787.3	304,258.1	253,112.1	204,440.4	210,256.8

Table 29-2 Proforma Balance Sheet (Case 2)

Unit : NRs' 000

ITEM/YEAR	-2/1	1	2	3	4	5	6	7	8	9	10	11
A. CURRENT ASSETS												
Cash		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Receivables		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Inventories		23,027.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0
Total		26,037.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0
B. CASH SURPLUS		18,512.3	63,885.1	130,370.1	140,366.0	157,942.0	183,097.9	215,833.9	256,149.9	304,045.9	349,335.3	380,840.2
C. FIXED ASSETS												
Building	150,032.0	142,519.0	135,018.0	127,517.0	120,016.0	112,515.0	105,014.0	97,513.0	90,012.0	82,511.0	75,010.0	67,509.0
Plant & Machinery	573,211.0	515,889.0	458,568.0	401,247.0	343,926.0	286,605.0	229,284.0	171,963.0	114,642.0	57,321.0		
Vehicles & Furnitures	8,063.0	6,448.0	4,836.0	3,224.0	1,612.0							
Total	731,306.0	664,856.0	598,422.0	531,988.0	465,554.0	399,120.0	334,298.0	269,476.0	204,654.0	139,832.0	75,010.0	67,509.0
D. DIFERRED ASSETS												
Deficit		58,310.7	2,405.9									
Interest d. Construction	103,703.0	93,330.0	82,960.0	72,590.0	62,220.0	51,850.0	41,480.0	31,110.0	20,740.0	10,370.0		
Total	103,703.0	151,640.7	85,365.9	72,590.0	62,220.0	51,850.0	41,480.0	31,110.0	20,740.0	10,370.0		
E. TOTAL ASSETS	835,009.0	861,046.0	790,396.0	777,671.1	710,863.0	651,635.0	601,598.9	559,142.9	524,266.9	496,970.9	467,068.3	491,072.2
F. LONG TERM DEBT												
Foreign Loan	598,583.0	598,583.0	538,723.8	478,865.6	419,007.4	359,149.2	299,291.0	239,432.8	179,574.6	119,716.4	59,858.2	
Local Loan	81,871.0	107,908.0	97,117.2	86,326.4	75,535.6	64,744.8	53,954.0	43,163.2	32,372.4	21,581.6	10,790.8	
Total	680,454.0	706,491.0	635,841.0	565,192.0	494,543.0	423,894.0	353,245.0	282,596.0	211,947.0	141,298.0	70,649.0	
G. EQUITY												
Share Capital	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0
Retained Earnings				57,924.1	61,765.0	73,186.0	93,798.9	121,991.9	157,764.9	201,117.9	241,864.3	336,517.2
Total	154,555.0	154,555.0	154,555.0	212,479.1	216,320.0	227,741.0	248,353.9	276,546.9	312,319.9	355,672.9	396,419.3	491,072.2
H. TOTAL LIABILITIES & EQUITY	835,009.0	861,046.0	790,396.0	777,671.1	710,863.0	651,635.0	601,598.9	559,142.9	524,266.9	496,970.9	467,068.3	491,072.2

Table 30-1 Fund Statement (Case 1)

Unit: NRs' 000

	-2/1	1	2	3	4	5	6	7	8	9	10	11
<u>SOURCES</u>												
Profit before Interest		12,650.0	128,092.0	124,937.0	60,868.0	60,868.0	62,480.0	62,480.0	62,480.0	62,480.0	62,480.0	131,889.0
Depreciation and Amortization		78,538.0	78,522.0	78,522.0	78,522.0	78,522.0	76,910.0	76,910.0	76,910.0	76,910.0	76,910.0	7,501.0
Share Capital												
Loans	852,186.0	26,037.0										
Working Capital												
Total Sources	852,186.0	117,225.0	206,614.0	203,459.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0
<u>APPLICATIONS</u>												
Fixed Capital	731,306.0											
Working Capital		26,037.0	16,686.0									
Repayment of Principal			87,823.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2
Interest		90,707.6	91,486.2	82,102.9	72,719.8	63,336.5	53,953.4	44,570.1	35,187.0	25,803.8	16,420.6	7,037.5
Interest during Construction	120,880.0											
Income Tax											6,908.9	31,212.9
Total Applications	852,186.0	116,744.6	195,995.4	169,925.1	160,542.0	151,158.7	141,775.6	132,392.3	123,009.2	113,626.0	111,151.7	126,072.6
Net Cash Inflow	0	480.4	10,618.6	33,533.9	-21,152.0	-11,768.7	-2,385.6	6,997.7	16,380.8	25,764.0	28,238.3	13,317.4
Accumulated Reserves	0	480.4	11,099.0	44,632.9	23,480.9	11,712.2	9,326.6	16,324.3	32,705.1	58,469.1	86,707.4	100,024.8

Table 30-2 Fund Statement (Case 2)

Unit: NRs' 000

	-2/1	1	2	3	4	5	6	7	8	9	10	11
<u>SOURCES</u>												
Profit before Interest		14,365.0	129,810.0	126,655.0	62,586.0	62,586.0	64,198.0	64,198.0	64,198.0	64,198.0	64,198.0	131,889.0
Depreciation and Amortization		76,823.0	76,804.0	76,804.0	76,804.0	76,804.0	75,192.0	75,192.0	75,192.0	75,192.0	75,192.0	7,501.0
Share Capital	154,555.0											
Loans	680,454.0	26,037.0										
Working Capital												
Total Sources	835,009.0	117,225.0	206,614.0	203,459.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0
<u>APPLICATIONS</u>												
Fixed Capital	731,306.0											
Working Capital		26,037.0	16,686.0									
Repayment of Principal			70,650.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0
Interest		72,675.7	73,905.2	66,325.0	58,745.1	51,165.0	43,585.1	36,005.0	28,425.0	20,845.0	13,265.0	5,685.1
Interest during Construction	103,703.0											
Income Tax											10,186.6	31,551.0
Total Applications	835,009.0	98,712.7	161,241.2	136,974.0	129,394.1	121,814.0	114,234.1	106,654.0	99,074.0	91,494.0	94,100.6	107,885.1
Net Cash Inflow	0	18,512.3	45,372.8	66,485.0	9,995.9	17,576.0	25,155.9	32,736.0	40,316.0	47,896.0	45,289.4	31,504.9
Accumulated Reserves	0	18,512.3	63,885.1	130,370.1	140,366.0	157,942.0	183,097.9	215,833.9	256,149.9	304,045.9	349,335.3	380,840.2

6-6 Profitability and Financial Indicators

6-6-1 Break Even Point Analysis

1) Break Even point (BEP) in the 6th year after operation

(Unit NRs' 000)

Sales revenue	303,750 (SR)	
Variable cost	140,346 (VC)	
Fixed cost	154,877.4 Case 1	(FC, with interest and amortization)
	142,791.1 Case 2	

a) Break even sales

$$\frac{FC}{1 - VC/SR} \quad (BS)$$

$$\frac{154,877.4}{1 - 140,346/303,750} = 287,876 \quad \text{Case 1}$$

$$\frac{142,791.1}{1 - 140,346/303,750} = 265,411 \quad \text{Case 2}$$

b) Break even operation ratio

$$\frac{FC}{SR - VC} \quad \text{or} \quad \frac{BS}{SR}$$

$$\frac{154,874.4}{303,750 - 140,346} = 94.8\% \quad \text{Case 1}$$

$$\frac{287,876}{303,750} = 94.8\%$$

$$\frac{142,791.1}{303,750 - 140,346} = 87.4\% \quad \text{Case 2}$$

$$\frac{265,411}{303,750} = 87.4\%$$

The above is shown in the graph (Fig 2 - 1 and 2 - 2). On the other hand, break even point during the project life is shown in fig 3 - 1 and 3 - 2. Both break even

sales and break even operation ratio in the 1 st year when the scale merit is not expected yet, and in the 4 th and 5 th year when excise duties begins to be levied are not so meritable owing to the depreciation cost and interest payment burden. Break even operation ratio settles in 80% only from 7 th and 6 th year in Case 1 and 2 respectively. And in 11th year, where the Project is free from the depreciation and interest payment, it comes to 20%. As for this analysis, Case 2 is better than Case 1 .

6-6-2 Payout Period

Payout period means the term in which the initial investment (fixed assets investment and working capital) is recuperated by the accumulated cash flow. Accumulated cash flow and payout period in Case 1 and 2 are shown below.

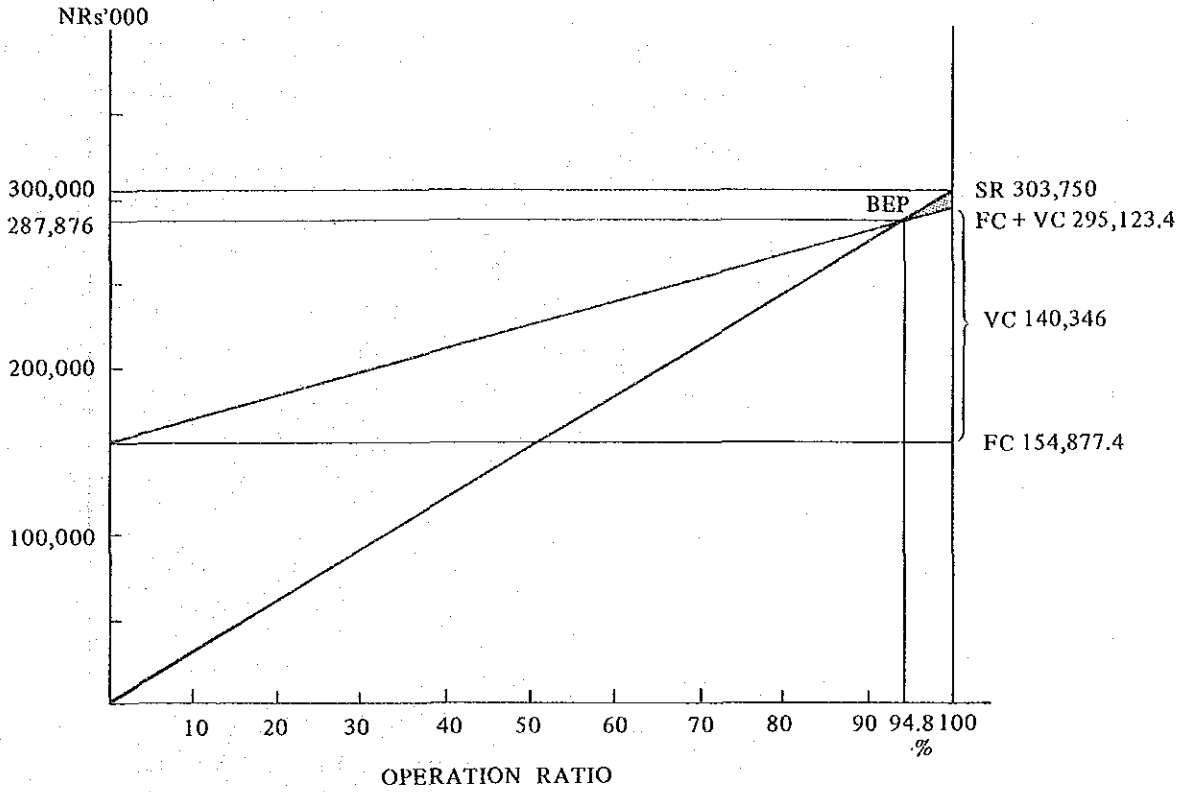


Fig. 2-1 Break Even Point Analysis (Case 1)

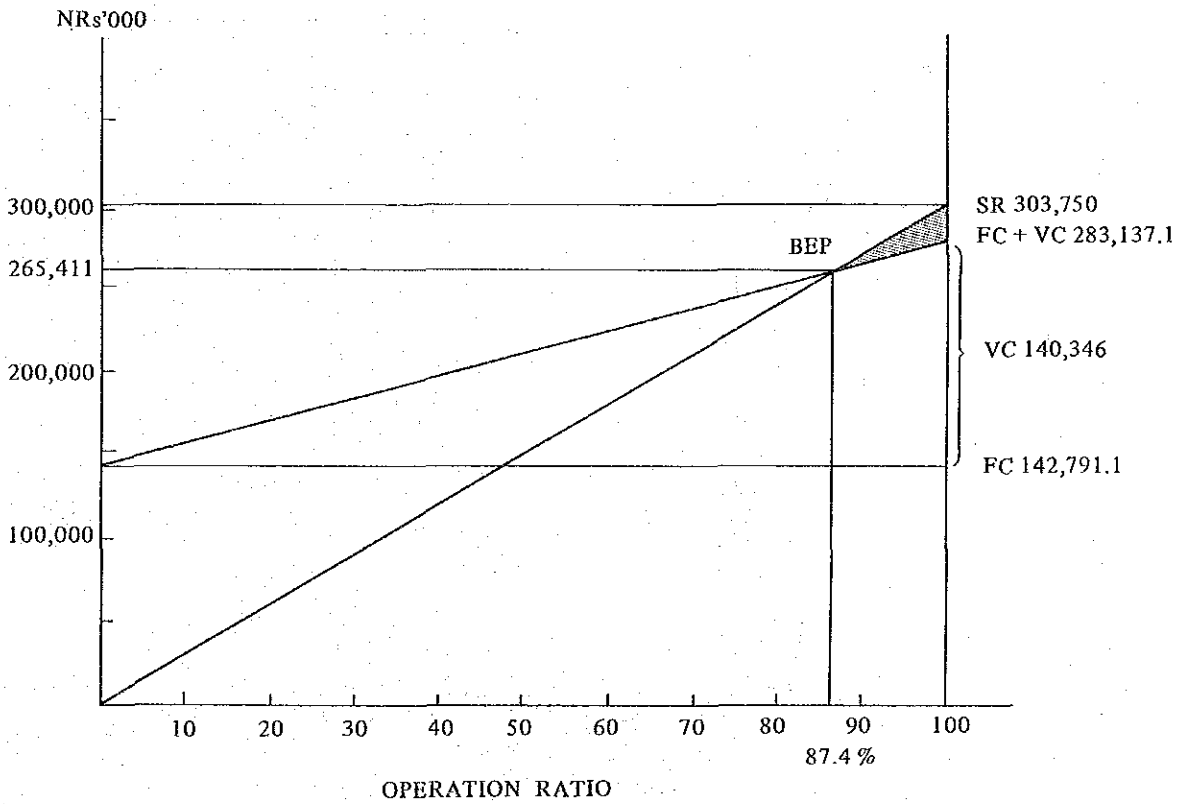


Fig. 2-2 Break Even Point Analysis (Case 2)

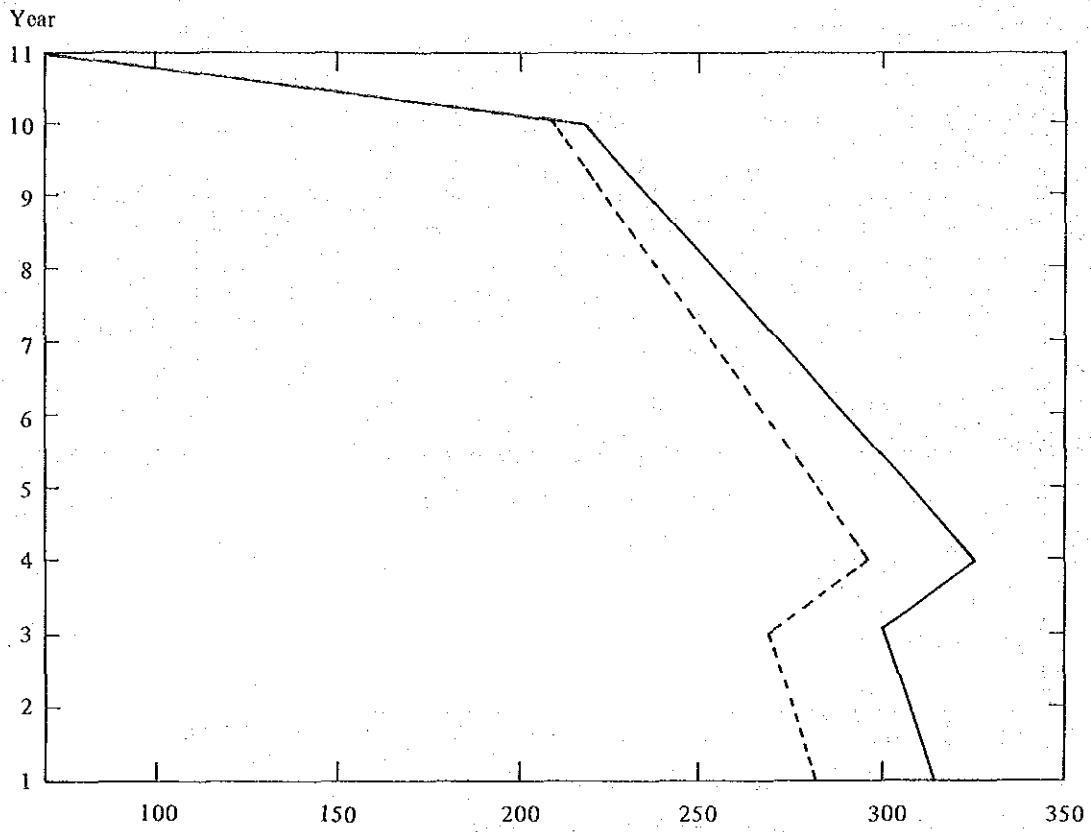


Fig. 3-1 Break Even Sales Analysis (NRs' mil.)

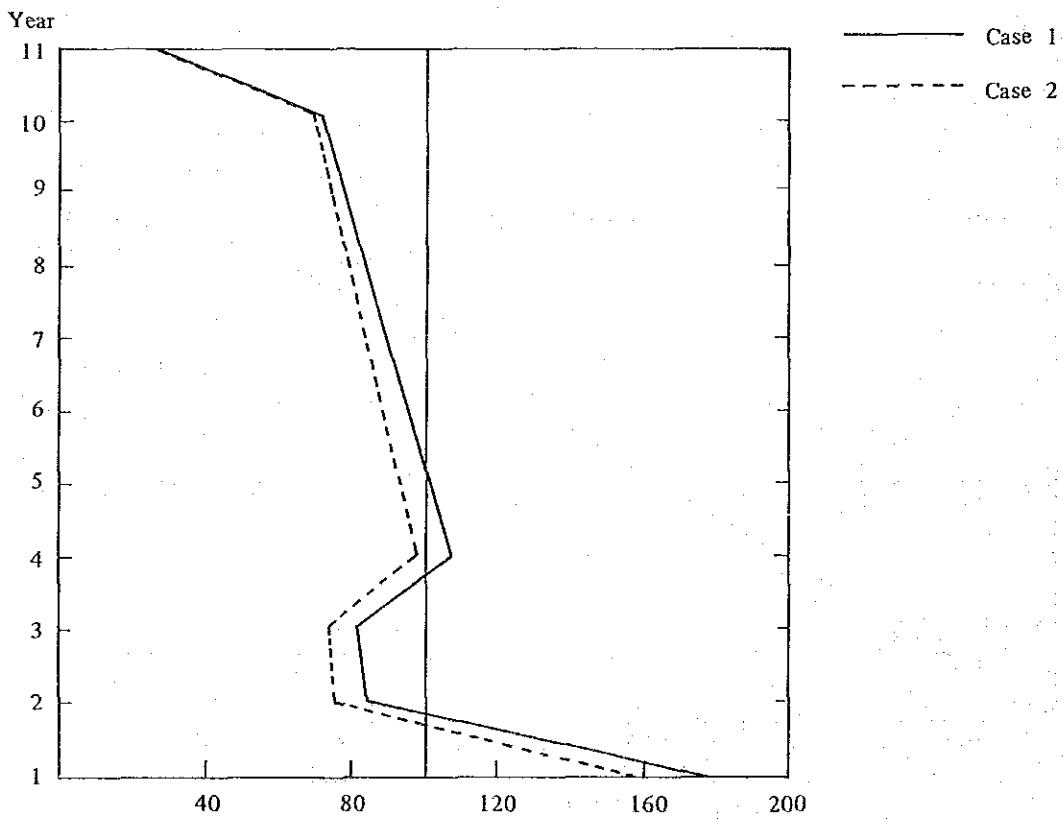


Fig. 3-2 Break Even Operation Ratio Analysis (%)

Table 31-1 Accumulated Net Cash Flow (Case 1)

(Unit NRs,000)

Year	Profit before tax	Depreciation & amortization	Interest	Net cash flow	Accumulated cash flow
1	-78,057.6	78,538	90,707.6	91,188	91,188
2	36,605.8	78,522	91,486.2	206,614	297,802
3	42,834.1	78,522	82,102.9	203,459	501,261
4	-11,851.8	78,522	72,719.8	139,390	640,651
5	-2,468.5	78,522	63,336.5	139,390	780,041
6	8,526.6	76,910	53,953.4	139,390	919,431
7	17,909.9	76,910	44,570.1	139,390	1,058,821
8	27,293.0	76,910	35,187.0	139,390	1,198,211
9	36,676.2	76,910	25,803.8	139,390	1,337,601
10	46,059.4	76,910	16,420.6	139,390	1,476,991
11	124,851.5	7,501	7,037.5	139,390	1,616,381

Initial investment = 878,223

$$\begin{aligned} \text{Payout period} &= 5 + \frac{878,223 - 780,041}{919,431 - 780,041} \\ &= 5 + 0.70 \\ &= 5 \text{ years } 8 \text{ months} \end{aligned}$$

Table 31-2 Accumulated Net Cash Flow (Case 2)

(Unit NRs,000)

Year	Profit before tax	Depreciation & amortization	Interest	Net cash flow	Accumulated cash flow
1	-58,310.7	76,823	72,675.7	91,188	91,188
2	55,904.8	76,804	73,905.2	206,614	297,802
3	60,330.0	76,804	66,325.0	203,459	501,261
4	3,840.9	76,804	58,745.1	139,390	640,651
5	11,421.0	76,804	51,165.0	139,390	780,041
6	20,612.9	75,192	43,585.1	139,390	919,431
7	28,193.0	75,192	36,005.0	139,390	1,058,821
8	35,773.0	75,192	28,425.0	139,390	1,198,211
9	43,353.0	75,192	20,845.0	139,390	1,337,601
10	50,933.0	75,192	13,265.0	139,390	1,476,991
11	126,203.9	7,501	5,685.1	139,390	1,616,381

Initial investment = 861,046

$$\begin{aligned} \text{Payout period} &= 5 + \frac{861,046 - 780,041}{919,431 - 780,041} \\ &= 5 + 0.58 \\ &= 5 \text{ years } 7 \text{ months} \end{aligned}$$

6-6-3 Internal Rate of Return, Net Present Value and Benefit Cost Ratio

Net cash flow before tax is shown in table 32- 1 and 32- 2 and discount ratio which makes zero discounted net cash flow (net present value) is sought. This is the DCF rate of return or internal rate of return (IRR) which is important indicator for profitability. As the income tax is incurred only from 10 th year of the project life, the comparison of investment profit is done on the basis of the profit before tax. IRR in Case 1 and 2 is as follows.

Case 1	12.6746%
Case 2	13.1251%

This rate is higher than 10.5% of loan interest, indicating that investment profit is more favourable than capital profit. Net present value with the discount factor of the opportunity cost of capital (assumed as 10.5%), market rate of loan interest (assumed as 10%) and interest rate of long term debt (10.5% and 12%) is shown below.

(Unit NRs'000)

Item	Discount factor	10 %	10.5 %	12 %
NPV	Case 1	114,208	91,137	26,765
	Case 2	131,385	108,314	43,942
B/C ratio	Case 1	1.16	1.14	1.06
	Case 2	1.19	1.16	1.08

Both cases can be said viable financially, since NPV is plus value and B/C ratio is more than 1.

6-6-4 Debt Service Coverage Ratio

This is the indicator for repayment capacity of project and is represented by the following formula.

$$\text{Cover ratio} = \frac{\text{Net cash flow available for debt service}}{\text{Debt service (Princlpal repayment + payment of interest)}}$$

This indicator for every year and accumulated in the project life on the basis of cash flow in table 29- 1 and 29— 2 is shown below.

Year	Case 1		Case 2	
	Every year	Accumulated	Every year	Accumulated
1	1.01	1.01	1.25	1.25
2	1.15	1.10	1.43	1.37
3	1.20	1.14	1.49	1.42
4	0.87	1.07	1.08	1.32
5	0.92	1.04	1.14	1.29
6	0.98	1.03	1.22	1.28
7	1.05	1.03	1.31	1.28
8	1.13	1.04	1.41	1.29
9	1.23	1.09	1.52	1.32
10	1.34	1.08	1.66	1.34
11	2.63	1.11	3.27	1.37

Regarding Case 1, cover ratio is beneath 1 from 4 th till 6 th year but any special measure fund is not necessary, as accumulated cover ratio is more than 1. Fund quantity to apply for the repayment is not necessarily sufficient up to 7 th or 8 th year in Case 1. Accumulated ratio in Case 2 are financially enough.

Table 32-1 Internal Rate of Return (Case 1)

YEAR	INVESTMENT	WORKING CAPITAL	INCOME BEFORE TAX	DEPRECIATION & AMORTIZATION	INTEREST	RECLAIMED WORKING CAPITAL	SALVAGE VALUE	NET CASH IN FLOW	DISCOUNT FACTOR	PRESENT VALUE OF NET CASH INFLOW
-2/1	852,186							-852,186	1.000000	-852,086
1		26,037	-78,057.6	78,538	90,707.6			65,151	0.887511	57,822
2		16,686	36,605.8	78,522	91,486.2			189,928	0.787677	149,602
3			42,834.1	78,522	82,102.9			203,459	0.699072	142,233
4			-11,851.8	78,522	72,719.8			139,390	0.620434	86,482
5			-2,468.5	78,522	63,336.5			139,390	0.550643	76,754
6			8,526.6	76,910	53,953.4			139,390	0.488702	68,120
7			17,909.0	76,910	44,570.1			139,390	0.433728	60,457
8			27,293.0	76,910	35,187.0			139,390	0.384939	53,657
9			36,676.2	76,910	25,803.8			139,390	0.341638	47,621
10			46,059.4	76,910	16,420.6			139,390	0.303207	42,264
11			124,851.5	7,501	7,037.5	42,723	67,509	249,622	0.269100	67,173

TOTAL = 0

INTERNAL RATE OF RETURN = 12.6746%

Table 32-2 Internal Rate of Return (Case 2)

YEAR	INVESTMENT	WORKING CAPITAL	INCOME BEFORE TAX	DEPRECIATION & AMORTIZATION	INTEREST	RECLAIMED WORKING CAPITAL	SALVAGE VALUE	NET CASH IN FLOW	DISCOUNT FACTOR	PRESENT VALUE OF NET CASH INFLOW
-2/1	835,009							-835,009	1.000000	-835,009
1		26,037	-58,310.7	76,823	72,675.7			65,151	0.883977	57,592
2		16,686	55,904.8	76,804	73,905.2			189,928	0.781416	148,413
3			60,330.0	76,804	66,325.0			203,459	0.690753	140,540
4			3,840.9	76,804	58,745.1			139,390	0.610610	85,113
5			11,421.0	76,804	51,165.0			139,390	0.539765	75,238
6			20,612.9	75,192	43,585.1			139,390	0.477140	66,509
7			28,193.0	75,192	36,005.0			139,390	0.421781	58,792
8			35,773.0	75,192	28,425.0			139,390	0.372845	51,971
9			43,353.0	75,192	20,845.0			139,390	0.329586	45,941
10			50,933.0	75,192	13,265.0			139,390	0.291347	40,611
11			126,203.9	7,501	5,685.1	42,723	67,509	249,622	0.257544	64,289

TOTAL = 0

INTERNAL RATE OF RETURN = 13.1251%

6-7 Sensitivity Analysis

In former paragraph financial and profitability indicators are evaluated relating to Case 1 and 2 as base case. In this paragraph sensitivity analysis on following variation is made.

Case 3 - 1	Sales revenue 10% up, All loan
Case 3 - 2	Sales revenue 10% up, 20% equity
Case 4 - 1	Sales revenue 10% down, All loan
Case 4 - 2	Sales revenue 10% down, 20% equity
Case 5 - 1	Raw material cost 10% down, All loan
Case 5 - 2	Raw material cost 10% down, 20% equity
Case 6 - 1	Raw material cost 10% up, All loan
Case 6 - 2	Raw material cost 10% up, 20% equity
Case 7 - 1	Interest rate for foreign long term debt 1.5% down, All loan
Case 7 - 2	Interest rate for foreign long term debt 1.5% down, 20% equity
Case 8 - 1	Interest rate for foreign long term debt 1.5% up, All loan
Case 8 - 2	Interest rate for foreign long term debt 1.5% up, 20% equity

Although interest condition is varied, interest rate for local long term debt is left as 12%. Capital requirement and disbursement schedule and Loan repayment schedule for the Case 7 and 8 is shown in table 33-1, 2 to 38-1, 2.

Interest during the construction for Case 7 and 8 is calculated as follows.

(Unit NRs'000)

1) Case 7 - 1 Foreign loan interest 9%, Local 12%, 100% loan		
(Foreign)	1st year $662,345 \times 9\% \times 1/2$	= 29,806
	2nd year $(662,345 + 29,806) \times 9\%$	= 62,294
	Total	92,100
(Local)		12,910
Total interest	105,010	

2) Case 7 - 2 Foreign loan interest 9%, Local 12%, 20% Equity		
(Foreign)	1st year $507,790 \times 9\% \times 1/2$	= 22,851
	2nd year $(507,790 + 22,851) \times 9\%$	= 47,758
	Total	70,609
(Local)		12,910
Total interest	83,519	

3) Case 8 - 1 Foreign loan interest 12%, Local 12%, Loan 100%

(Foreign)	1 st year	$662,345 \times 12\% \times 1/2$	=	39,741
	2 nd year	$(662,345 + 39,741) \times 12\%$	=	84,250
	Total			123,991
(Local)				12,910
Total interest		136,901		

4) Case 8 - 2 Foreign loan interest 12%, Local 12%, Equity 20%

(Foreign)	1 st year	$507,790 \times 12\% \times 1/2$	=	30,467
	2 nd year	$(507,790 + 30,467) \times 12\%$	=	64,591
	Total			95,058
(Local)				12,910
Total interest		107,968		

Outcome data of base case and variation case are summarized in table 3 (Figure in circle represents rank per case). Data used for the sensitivity analysis for each case are shown below.

-Income statement

Table 40-1	Case 3-1	Table 40-2	Case 3-2
Table 41-1	Case 4-1	Table 41-2	Case 4-2
Table 42-1	Case 5-1	Table 42-2	Case 5-2
Table 43-1	Case 6-1	Table 43-2	Case 6-2
Table 44-1	Case 7-1	Table 44-2	Case 7-2
Table 45-1	Case 8-1	Table 45-2	Case 8-2

-Balance sheet

Table 46-1	Case 3-1	Table 46-2	Case 3-2
Table 47	Case 4-2		
Table 48-1	Case 5-1	Table 48-2	Case 5-2
Table 49	Case 6-2		
Table 50-1	Case 7-1	Table 50-2	Case 7-2
Table 51	Case 8-2		

-Fund flow statement

Table 52-1	Case 3-1	Table 52-2	Case 3-2
Table 53-1	Case 4-1	Table 53-2	Case 4-2
Table 54-1	Case 5-1	Table 54-2	Case 5-2
Table 55-1	Case 6-1	Table 55-2	Case 6-2
Table 56-1	Case 7-1	Table 56-2	Case 7-2
Table 57-1	Case 8-1	Table 57-2	Case 8-2

-Internal rate of return

Table 58-1	Case 3-1	Table 58-2	Case 3-2
Table 59-1	Case 4-1	Table 59-2	Case 4-2
Table 60-1	Case 5-1	Table 60-2	Case 5-2
Table 61-1	Case 6-1	Table 61-2	Case 6-2
Table 62-1	Case 7-1	Table 62-2	Case 7-2
Table 63-1	Case 8-1	Table 63-2	Case 8-2

Note.

Balance sheet for the case 4-2, 6-2, 8-2 is omitted.

There are 14 ways of comparison and in case of comparison of simulation case with base case, advantage and disadvantage of conditions are reflected as it is in the outcome. This sensitivity analysis is useful for the comparison between cases of different requisites, such as comparison of raw material cost 10% down/all loan with raw material cost 10% up/20% capital or which is more advantageous between the case of sales price up and loan interest down. As a whole, 10% price down and 10% raw material cost up give rise to fairly difficult cash flow and profitability and it couldn't be said feasible from the financial standpoint, but 1.5% up of interest rate can be absorbed to some extent. It could be said that raw material cost and sales price in base case is established at a viable line. Better financial figures can be obtained if interest payment burden is tried to be lightened by lower loan quantity.

Case-7-1

Table 33-1 Capital Requirement & Disbursement Schedule

Unit: NRs'000

Item	Before Operation (2 year)	After Operation (1st year)	Total	Ration (%)
Capital Requirement				
Fixed Capital	6,548		6,548	
Land Levelling	136,340		136,340	
Construction Cost	394,310		394,310	
Machinery & Equipment (f. o. b.)	13,016		13,016	
Ocean Freight	3,360		3,360	
Marine Insurance	9,396		9,396	
Vehicles & Auxiliary Equipment (c. i. f.)	10,484		10,484	
Clearance Charge	4,194		4,194	
Import Duty	14,361		14,361	
Inland Transportation	3,755		3,755	
Erection	25,488		25,488	
Supervising Fee	37,575		37,575	
Engineering Fee	30,106		30,106	
Training Fee	7,582		7,582	
Preoperational Cost	34,791		34,791	
Contingency				
Total Fixed Capital	731,306		731,306	96.6
Working Capital		26,037	26,037	3.4
TOTAL	731,306	26,037	757,343	100.0
Source of Fund				
Share Capital				
Long-term Loan (Foreign)	662,345		662,345	87.5
Long-term Loan (Local)	68,961	26,037	94,998	12.5
TOTAL	731,306	26,037	757,343	100.0
Interest During Construction	105,010		105,010	
Balance of Loan (Total Capital Required)	836,316	26,037	862,353	

Note : 1) Interest during construction is figured out on condition that Total Loans are borrowed in the middle of 1st year of the construction period.

2) Total amount of long-term loan is NRs 862,353,000 (NRs 757,343 + interest 105,010).

Case-7-2
Table 33-2 Capital Requirement & Disbursement Schedule

Unit: NRs'000

Item	Before Operation (2 year)	After Operation (1st year)	Total	Ration (%)
Capital Requirement				
Fixed Capital				
Land Levelling	6,548		6,548	
Construction Cost	136,340		136,340	
Machinery & Equipment (f. o. b.)	394,310		394,310	
Ocean Freight	13,016		13,016	
Marine Insurance	3,360		3,360	
Vehicles & Auxiliary Equipment (c. i. f.)	9,396		9,396	
Clearance Charge	10,484		10,484	
Import Duty	4,194		4,194	
Inland Transportation	14,361		14,361	
Erection	3,755		3,755	
Supervising Fee	25,488		25,488	
Engineering Fee	37,575		37,575	
Training Fee	30,106		30,106	
Preoperational Cost	7,582		7,582	
Contingency	34,791		34,791	
Total Fixed Capital	731,306		731,306	96.6
Working Capital		26,037	26,037	3.4
TOTAL	731,306	26,037	757,343	100.0
Source of Fund				
Share Capital	154,555		154,555	20.0
Long-term Loan (Foreign)	507,790		507,790	80.0
Long-term Loan (Local)	68,961	26,037	94,998	12.5
TOTAL	731,306	26,037	757,343	100.0
Interest During Construction	83,519		83,519	
Balance of Loan	660,270	26,037	686,307	
Total Capital Required	814,825	26,037	840,862	

Note : 1) Interest during construction is figured out on condition that Total Loans are borrowed in the middle of 1st year of the construction period.
2) Total amount of long-term loan is NRs 686,307,000 (NRs 602,788 + interest 83,519).

Case-8-1
Table 34-1 Capital Requirement & Disbursement Schedule

Unit: NRs'000

Item	Before Operation (2 year)	After Operation (1st year)	Total	Ration (%)
Capital Requirement				
Fixed Capital				
Land Levelling	6,548		6,548	
Construction Cost	136,340		136,340	
Machinery & Equipment (f. o. b.)	394,310		394,310	
Ocean Freight	13,016		13,016	
Marine Insurance	3,360		3,360	
Vehicles & Auxiliary Equipment (c. i. f.)	9,396		9,396	
Clearance Charge	10,484		10,484	
Import Duty	4,194		4,194	
Inland Transportation	14,361		14,361	
Erection	3,755		3,755	
Supervising Fee	25,488		25,488	
Engineering Fee	37,575		37,575	
Training Fee	30,106		30,106	
Preoperational Cost	7,582		7,582	
Contingency	34,791		34,791	
Total Fixed Capital	731,306		731,306	96.6
Working Capital		26,037	26,037	3.4
TOTAL	731,306	26,037	757,343	100.0
Source of Fund				
Share Capital				
Long-term Loan (Foreign)	662,345		662,345	87.5
Long-term Loan (Local)	68,961	26,037	94,998	12.5
TOTAL	731,306	26,037	757,343	100.0
Interest During Construction	136,901		136,901	
Balance of Loan (Total Capital Required)	868,207	26,037	894,244	

Note: 1) Interest during construction is figured out on condition that Total Loans are borrowed in the middle of 1st year of the construction period.

2) Total amount of long-term loan is NRs 894,244,000 (NRs 757,343 + interest 136,901).

Table 34-2 Capital Requirement & Disbursement Schedule

Unit: NRs'000

Item	Before Operation (2 year)	After Operation (1st year)	Total	Ration (%)
Capital Requirement				
Fixed Capital				
Land Levelling	6,548		6,548	
Construction Cost	136,340		136,340	
Machinery & Equipment (f. o. b.)	394,310		394,310	
Ocean Freight	13,016		13,016	
Marine Insurance	3,360		3,360	
Vehicles & Auxiliary Equipment (c. i. f.)	9,396		9,396	
Clearance Charge	10,484		10,484	
Import Duty	4,194		4,194	
Inland Transportation	14,361		14,361	
Erection	3,755		3,755	
Supervising Fee	25,488		25,488	
Engineering Fee	37,575		37,575	
Training Fee	30,106		30,106	
Preoperational Cost	7,582		7,582	
Contingency	34,791		34,791	
Total Fixed Capital	731,306		731,306	96.6
Working Capital		26,037	26,037	3.4
TOTAL	731,306	26,037	757,343	100.0
Source of Fund				
Share Capital	154,555		154,555	20.0
Long-term Loan (Foreign)	507,790		507,790	80.0
Long-term Loan (Local)	68,961	26,037	94,998	12.5
TOTAL	731,306	26,037	757,343	100.0
Interest During Construction	107,968		107,968	
Balance of Loan	684,719	26,037	710,756	
Total Capital Required	839,274	26,037	865,311	

Note : 1) Interest during construction is figured out on condition that Total Loans are borrowed in the middle of 1st year of the construction period.

2) Total amount of long-term loan is NRs 710,756,000 (NRs 602,788 + interest 107,968).

Table 35-1 Repayment of Long Term Loans (Foreign currency)

Case 7-1

(Unit: NRs' 000)

Year	Installment	Principal	Principal Repayment	Balance Unpaid	Interest (9 %/Year)
-2/1		754,445	0	754,445	0
1			0	754,445	67,900.1
2	1		37,727	716,718	33,950.0
	2		37,722	678,996	32,252.3
3	3		37,722	641,274	30,554.8
	4		37,722	603,552	28,857.3
4	5		37,722	565,830	27,159.8
	6		37,722	528,108	25,462.4
5	7		37,722	490,386	23,764.9
	8		37,722	452,664	22,067.4
6	9		37,722	414,942	20,369.9
	10		37,722	377,220	18,672.4
7	11		37,722	339,498	16,974.9
	12		37,722	301,776	15,277.4
8	13		37,722	264,054	13,579.9
	14		37,722	226,332	11,882.4
9	15		37,722	188,610	10,184.9
	16		37,722	150,888	8,487.5
10	17		37,722	113,166	6,790.0
	18		37,722	75,444	5,092.5
11	19		37,722	37,722	3,395.0
	20		37,722	0	1,697.5
Total		754,445	754,445	-	424,373.3

Remarks : 1) The principal shall be repaid in 20 equal semi-annual installments after the grace period of 3 years.

2) Interest during construction shall be included in the principal.

Table 35-2 Repayment of Long Term Loans (Local currency)

Case 7-1

(Unit: NRs' 000)

Year	Installment	Principal	Principal Repayment	Balance Unpaid	Interest (12 %/Year)
-2/1		81,871.0	0	81,871.0	0
1		26,037.0	0	107,908.0	9,824.5
2	1		5,395.4	102,512.6	6,474.5
	2		5,395.4	97,117.2	6,150.8
3	3		5,395.4	91,721.8	5,827.0
	4		5,395.4	86,326.4	5,503.3
4	5		5,395.4	80,931.0	5,179.6
	6		5,395.4	75,535.6	4,855.9
5	7		5,395.4	70,140.2	4,532.1
	8		5,395.4	64,744.8	4,208.4
6	9		5,395.4	59,349.4	3,884.7
	10		5,395.4	53,954.0	3,561.0
7	11		5,395.4	48,558.6	3,237.2
	12		5,395.4	43,163.2	2,913.5
8	13		5,395.4	37,767.8	2,589.8
	14		5,395.4	32,372.4	2,266.1
9	15		5,395.4	26,977.0	1,942.3
	16		5,395.4	21,581.6	1,618.6
10	17		5,395.4	16,186.2	1,294.9
	18		5,395.4	10,790.8	971.2
11	19		5,395.4	5,395.4	647.5
	20		5,395.4	0	323.7
Total			107,908.0	-	77,806.6

Remarks : 1) The principal shall be repaid in 20 equal semi-annual installments after the grace period of 3 years.

2) Interest during construction shall be included in the principal.

Table 36-1 Repayment of Long Term Loans (Foreign currency)

Case 7-2

(Unit: NRs' 000)

Year	Installment	Principal	Principal Repayment	Balance Unpaid	Interest (9%/Year)
-2/1		578,399	0	578,399	0
1			0	578,399	52,055.9
2	1		28,919	549,480	26,028.0
	2		28,920	520,560	24,726.6
3	3		28,920	491,640	23,425.2
	4		28,920	462,720	22,123.8
4	5		28,920	433,800	20,822.4
	6		28,920	404,880	19,521.0
5	7		28,920	375,960	18,219.6
	8		28,920	347,040	16,918.2
6	9		28,920	318,120	15,616.8
	10		28,920	289,200	14,315.4
7	11		28,920	260,280	13,014.0
	12		28,920	231,360	11,712.6
8	13		28,920	202,440	10,411.2
	14		28,920	173,520	9,109.8
9	15		28,920	144,600	7,808.4
	16		28,920	115,680	6,507.0
10	17		28,920	86,760	5,205.6
	18		28,920	57,840	3,904.2
11	19		28,920	28,920	2,602.8
	20		28,920	0	1,301.4
Total			578,399	—	325,349.9

Remarks : 1) The principal shall be repaid in 20 equal semi-annual installments after the grace period of 3 years.

2) Interest during construction shall be included in the principal.

Table 36-2 Repayment of Long Term Loans (Local currency)

Case 7-2

(Unit: NRs' 000)

Year	Installment	Principal	Principal Repayment	Balance Unpaid	Interest (12 %/Year)
-2/1		81,871.0	0	81,871.0	0
1		26,037.0	0	107,908.0	9,824.5
2	1		5,395.4	102,512.6	6,474.5
	2		5,395.4	97,117.2	6,150.8
3	3		5,395.4	91,721.8	5,827.0
	4		5,395.4	86,326.4	5,503.3
4	5		5,395.4	80,931.0	5,179.6
	6		5,395.4	75,535.6	4,855.9
5	7		5,395.4	70,140.2	4,532.1
	8		5,395.4	64,744.8	4,208.4
6	9		5,395.4	59,349.4	3,884.7
	10		5,395.4	53,954.0	3,561.0
7	11		5,395.4	48,558.6	3,237.2
	12		5,395.4	43,163.2	2,913.5
8	13		5,395.4	37,767.8	2,589.8
	14		5,395.4	32,372.4	2,266.1
9	15		5,395.4	26,977.0	1,942.0
	16		5,395.4	21,581.6	1,618.6
10	17		5,395.4	16,186.2	1,294.9
	18		5,395.4	10,790.8	971.2
11	19		5,395.4	5,395.4	647.5
	20		5,395.4	0	323.7
Total			107,908.0	-	77,806.6

Remarks : 1) The principal shall be repaid in 20 equal semi-annual installments after the grace period of 3 years.

2) Interest during construction shall be included in the principal.

Table 37-1 Repayment of Long Term Loans (Foreign currency)

Case 8-1

(Unit: NRs' 000)

Year	Installment	Principal	Principal Repayment	Balance Unpaid	Interest (12 %/Year)
-2/1		786,336	0	786,336	0
1			0	786,336	94,360.3
2	1		39,313	747,023	47,180.2
	2		39,317	707,706	44,821.4
3	3		39,317	668,389	42,462.4
	4		39,317	629,072	40,103.3
4	5		39,317	589,755	37,744.3
	6		39,317	550,438	35,385.3
5	7		39,317	511,121	33,026.3
	8		39,317	471,804	30,667.3
6	9		39,317	432,487	28,308.2
	10		39,317	393,170	25,949.2
7	11		39,317	353,853	23,590.2
	12		39,317	314,536	21,231.2
8	13		39,317	275,219	18,872.2
	14		39,317	235,902	16,513.1
9	15		39,317	196,585	14,154.1
	16		39,317	157,268	11,795.1
10	17		39,317	117,951	9,436.1
	18		39,317	78,634	7,077.1
11	19		39,317	39,317	4,718.0
	20		39,317	0	2,359.0
Total			786,336	--	589,754.3

Remarks : 1) The principal shall be repaid in 20 equal semi-annual installments after the grace period of 3 years.

2) Interest during construction shall be included in the principal.

Table 37-2 Repayment of Long Term Loans (Local currency)

Case 8-1

(Unit: NRs' 000)

Year	Installment	Principal	Principal Repayment	Balance Unpaid	Interest (12 %/Year)
-2/1		81,871.0	0	81,871.0	0
1		26,037.0	0	107,908.0	9,824.5
2	1		5,395.4	102,512.6	6,474.5
	2		5,395.4	97,117.2	6,150.8
3	3		5,395.4	91,721.8	5,827.0
	4		5,395.4	86,326.4	5,503.3
4	5		5,395.4	80,931.0	5,179.6
	6		5,395.4	75,535.6	4,855.9
5	7		5,395.4	70,140.2	4,532.1
	8		5,395.4	64,744.8	4,208.4
6	9		5,395.4	59,349.4	3,884.7
	10		5,395.4	53,954.0	3,561.0
7	11		5,395.4	48,558.6	3,237.2
	12		5,395.4	43,163.2	2,913.5
8	13		5,395.4	37,767.8	2,589.8
	14		5,395.4	32,372.4	2,266.1
9	15		5,395.4	26,977.0	1,942.0
	16		5,395.4	21,581.6	1,618.6
10	17		5,395.4	16,186.2	1,294.9
	18		5,395.4	10,790.8	971.2
11	19		5,395.4	5,395.4	647.5
	20		5,395.4	0	323.7
Total			107,908.0	—	77,806.6

Remarks : 1) The principal shall be repaid in 20 equal semi-annual installments after the grace period of 3 years.

2) Interest during construction shall be included in the principal.

Table 38-1 Repayment of Long Term Loans (Foreign currency)

Case 8-2

(Unit: NRs' 000)

Year	Installment	Principal	Principal Repayment	Balance Unpaid	Interest (12%/Year)
-2/1		602,848	0	602,848	0
1			0	602,848	72,341.8
2	1		30,150	572,698	36,170.9
	2		30,142	542,556	34,361.9
3	3		30,142	512,414	32,553.4
	4		30,142	482,272	30,744.8
4	5		30,142	452,130	28,936.3
	6		30,142	421,988	27,172.8
5	7		30,142	391,846	25,319.3
	8		30,142	361,704	23,510.8
6	9		30,142	331,562	21,702.2
	10		30,142	301,420	19,893.7
7	11		30,142	271,278	18,085.2
	12		30,142	241,136	16,276.7
8	13		30,142	210,994	14,468.2
	14		30,142	180,852	12,659.6
9	15		30,142	150,710	10,851.1
	16		30,142	120,568	9,042.6
10	17		30,142	90,426	7,234.1
	18		30,142	60,284	5,425.6
11	19		30,142	30,142	3,617.0
	20		30,142	0	1,808.5
Total			602,848	-	452,131.5

Remarks : 1) The principal shall be repaid in 20 equal semi-annual installments after the grace period of 3 years.

2) Interest during construction shall be included in the principal.

Table 38-2 Repayment of Long Term Loans (Local currency)

Case 8-2

(Unit: NRs' 000)

Year	Installment	Principal	Principal Repayment	Balance Unpaid	Interest (12%/Year)
-2/1		81,871.0	0	81,871.0	0
1		26,037.0	0	107,908.0	9,824.5
2	1		5,395.4	102,512.6	6,474.5
	2		5,395.4	97,117.2	6,150.8
3	3		5,395.4	91,721.8	5,827.0
	4		5,395.4	86,326.4	5,503.3
4	5		5,395.4	80,931.0	5,179.6
	6		5,395.4	75,535.6	4,855.9
5	7		5,395.4	70,140.2	4,532.1
	8		5,395.4	64,744.8	4,208.4
6	9		5,395.4	59,349.4	3,884.7
	10		5,395.4	53,954.0	3,561.0
7	11		5,395.4	48,558.6	3,237.2
	12		5,395.4	43,163.2	2,913.5
8	13		5,395.4	37,767.8	2,589.8
	14		5,395.4	32,372.4	2,266.1
9	15		5,395.4	26,977.0	1,942.0
	16		5,395.4	21,581.6	1,618.6
10	17		5,395.4	16,186.2	1,294.9
	18		5,395.4	10,790.8	971.2
11	19		5,395.4	5,395.4	647.5
	20		5,395.4	0	323.7
Total			107,908.0	—	77,806.6

- Remarks : 1) The principal shall be repaid in 20 equal semi-annual installments after the grace period of 3 years.
- 2) Interest during construction shall be included in the principal.

Table 39 Sensitivity Analysis Outcome

Item/Case	Base	Case	3-1	3-2	4-1	4-2	5-1	5-2	6-1	6-2	7-1	7-2	8-1	8-2
	1	2												
1. Breakeven Operation Ratio for 6th year after operation (%)	94.8 ⑩	87.4 ⑤	79.9 ②	73.7 ①	116.4 ⑭	107.3 ⑬	91.7 ⑨	84.5 ④	98.1 ⑪	90.5 ⑦	89.2 ⑥	82.4 ③	100.5 ⑫	91.0 ⑧
2. Payout Period (Year-month)	5-8 ⑨	5-7 ⑥	4-8 ②	4-7 ①	7-3 ⑭	7-2 ⑬	5-6 ⑤	5-5 ③	5-11 ⑪	5-9 ⑩	5-7 ⑥	5-5 ③	5-10 ⑪	5-7 ⑥
3. Debt Service Coverage Ratio for 6th Year after Operation														
Yearly	0.98	1.22	1.20	1.49	0.77	0.95	1.02	1.27	0.94	1.17	1.05	1.31	0.92	1.16
Accumulated	1.03 ⑩	1.28 ④	1.23 ⑤	1.53 ①	0.83 ⑭	1.02 ⑪	1.06 ⑨	1.32 ③	0.99 ⑫	1.23 ⑥	1.12 ⑧	1.40 ②	0.95 ⑬	1.20 ⑦
4. Internal Rate of Return (%)	12.67 ⑨	13.13 ⑥	16.99 ②	17.50 ①	8.00 ⑭	8.40 ⑬	13.44 ⑤	13.90 ③	11.90 ⑫	12.34 ⑩	13.09 ⑦	13.67 ④	12.27 ⑪	13.01 ⑧
5. Net Present Value Discounted by 10.5% (NRs. million)	91.1 ⑨	108.3 ⑥	282.5 ②	299.6 ①	-100.2 ⑭	-83.0 ⑬	124.1 ⑤	141.3 ③	58.1 ⑫	75.3 ⑩	107.0 ⑦	128.5 ④	75.1 ⑪	104.0 ⑧
6. Return on Sales Revenue 11 years average, %)														
Operating Profit	28.5	28.5	35.0	35.0	20.6	20.6	30.3	30.3	26.8	26.8	28.5	28.5	28.5	28.5
Income before Tax	7.4	11.3	15.8	19.4	-31.4	1.5	9.2	13.1	5.7	10.5	10.3	13.9	4.4	9.4
Income after Tax	6.3 ⑩	10.1 ⑤	14.4 ②	17.9 ①	-39.2 ⑭	0.7 ⑬	7.9 ⑤	11.7 ④	4.6 ⑪	8.5 ⑥	9.2 ⑦	12.7 ③	3.3 ⑫	8.3 ⑧
7. Interest during Construction (NRs. million)	120.9	103.7	120.9	103.7	120.9	103.7	120.9	103.7	120.9	103.7	105.0	83.5	136.9	108.0
8. Necessity of S-T Debt as Working Capital	No	No	No	No	Yes	No	No	No	Yes	No	No	No	Yes	No

Table 40-1 Proforma Income Statement (Case 3-1)

Interest 1.5% down
Loan/Capital=100/0

(Unit: NRs 1,000)

		1	2	3	4	5	6	7	8	9	10	11	Total
A. Revenue		198,375.0	402,330.0	402,330.0	334,125.0	334,125.0	334,125.0	334,125.0	334,125.0	334,125.0	334,125.0	334,125.0	3,676,035.0
B. Raw Material Cost		30,973.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	585,703.0
C. Variable Cost		44,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	893,603.0
Auxiliary Material		21,182.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	396,452.0
Packing Material		160.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	2,990.0
Power Charge		10,429.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	219,009.0
Fuel Charge		12,413.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	260,683.0
Water Charge		689.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	14,469.0
D. Fixed Cost		79,757.0	85,229.0	88,384.0	90,448.0	90,448.0	88,836.0	88,836.0	88,836.0	88,836.0	88,836.0	31,515.0	909,961.0
Labour Expenses		8,541.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	117,551.0
Maintenance Expenses		2,100.0	5,220.0	8,375.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	99,207.0
Depreciation		66,450.0	66,434.0	66,434.0	66,434.0	66,434.0	64,822.0	64,822.0	64,822.0	64,822.0	64,822.0	7,501.0	663,797.0
Overhead Expenditure		2,666.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	29,406.0
E. Manufacturing Cost	(B+C+D)	155,603.0	225,575.0	228,730.0	230,794.0	230,794.0	229,182.0	229,182.0	229,182.0	229,182.0	229,182.0	171,861.0	2,389,267.0
F. Operating Profit	(A-E)	42,772.0	176,755.0	173,600.0	103,331.0	103,331.0	104,943.0	104,943.0	104,943.0	104,943.0	104,943.0	162,264.0	1,286,768.0
G. Financial Charges		90,707.6	91,486.2	82,102.9	72,719.8	63,336.5	53,953.4	44,570.1	35,187.0	25,803.8	16,420.6	7,037.5	583,325.4
Interest on L-T Debt (Forign 10.5%)		80,883.1	78,860.9	70,772.6	62,684.3	54,596.0	46,507.7	38,419.4	30,331.1	22,242.9	14,154.5	6,066.3	505,518.8
Interest on L-T Debt (Local 12%)		9,824.5	12,625.3	11,330.3	10,035.5	8,740.5	7,445.7	6,150.7	4,855.9	3,560.9	2,266.1	971.2	77,806.6
Interest on S-T Debt (Local 17%)													
H. Amortization		12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0		120,880.0
I. Total Cost of Sales	(E+G+H)	258,398.6	329,149.2	322,920.9	315,601.8	306,218.5	295,223.4	285,840.1	276,457.0	267,073.8	257,690.6	178,898.5	3,093,472.4
J. Income before Tax	(F-G-H)	-60,023.6	73,180.8	79,409.1	18,523.2	27,906.5	38,901.6	48,284.9	57,668.0	67,051.2	76,434.4	155,226.5	582,562.6
K. Income Tax											15,286.9	38,806.6	54,093.5
L. Net Income	(J-K)	-60,023.6	73,180.8	79,409.1	18,523.2	27,906.5	38,901.6	48,284.9	57,668.0	67,051.2	61,147.5	116,419.9	528,469.1
M. Accumulated Income		-60,023.6	13,157.2	92,566.3	111,089.5	138,996.0	177,897.6	226,182.5	283,850.5	350,901.7	412,049.2	528,469.1	528,469.1
N. Ratio (%)													
Operating Profit		21.6	43.9	43.1	30.9	30.9	31.4	31.4	31.4	31.4	31.4	48.6	35.0
Income before Tax		-30.3	18.2	19.7	5.5	8.4	11.6	14.4	17.3	20.1	22.9	46.5	15.8
Net Income		-30.3	18.2	19.7	5.5	8.4	11.6	14.4	17.3	20.1	18.3	34.8	14.4

Table 40-2 Proforma Income Statement (Case 3-2)

Interest 1.5% down
Loan/Capital=80/20

(Unit: NRs 1,000)

		1	2	3	4	5	6	7	8	9	10	11	Total
A. Revenue		198,375.0	402,330.0	402,330.0	334,125.0	334,125.0	334,125.0	334,125.0	334,125.0	334,125.0	334,125.0	334,125.0	3,676,035.0
B. Raw Material Cost		30,973.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	585,703.0
C. Variable Cost		44,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	893,603.0
Auxiliary Material		21,182.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	396,452.0
Packing Material		160.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	2,990.0
Power Charge		10,429.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	219,009.0
Fuel Charge		12,413.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	260,683.0
Water Charge		689.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	14,469.0
D. Fixed Cost		79,757.0	85,229.0	88,384.0	90,448.0	90,448.0	88,836.0	88,836.0	88,836.0	88,836.0	88,836.0	31,515.0	909,961.0
Labour Expenses		8,541.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	117,551.0
Maintenance Expenses		2,100.0	5,220.0	8,375.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	99,207.0
Depreciation		66,450.0	66,434.0	66,434.0	66,434.0	66,434.0	64,822.0	64,822.0	64,822.0	64,822.0	64,822.0	7,501.0	663,797.0
Overhead Expenditure		2,666.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	29,406.0
E. Manufacturing Cost	(B+C+D)	155,603.0	225,575.0	228,730.0	230,794.0	230,794.0	229,182.0	229,182.0	229,182.0	229,182.0	229,182.0	171,861.0	2,389,267.0
F. Operating Profit	(A-E)	42,772.0	176,755.0	173,600.0	103,331.0	103,331.0	104,943.0	104,943.0	104,943.0	104,943.0	104,943.0	162,264.0	1,286,768.0
G. Financial Charges		72,675.7	73,905.2	66,325.0	58,745.1	51,165.0	43,585.1	36,005.0	28,425.0	20,845.0	13,265.0	5,685.1	470,626.2
Interest on L-T Debt (Forign 10.5%)		62,851.2	61,279.9	54,994.7	48,709.6	42,424.5	36,139.4	29,854.3	23,569.1	17,284.1	10,998.9	4,713.9	392,819.6
Interest on L-T Debt (Local 12%)		9,824.5	12,625.3	11,330.3	10,035.5	8,740.5	7,445.7	6,150.7	4,855.9	3,560.9	2,266.1	971.2	77,806.6
Interest on S-T Debt (Local 17%)													
H. Amortization		10,373.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0		103,703.0
I. Total Cost of Sales	(E+G+H)	238,651.7	309,850.2	305,425.0	299,909.1	292,329.0	283,137.1	275,557.0	267,977.0	260,397.0	252,817.0	177,546.1	2,963,596.2
J. Income before Tax	(F-G-H)	-40,276.7	92,479.8	96,905.0	34,215.9	41,796.0	50,987.9	58,568.0	66,148.0	73,728.0	81,308.0	156,578.9	712,438.8
K. Income Tax											16,261.6	39,144.7	55,406.3
L. Net Income	(J-K)	-40,276.7	92,479.8	96,905.0	34,215.9	41,796.0	50,987.9	58,568.0	66,148.0	73,728.0	65,046.4	117,434.2	657,032.5
M. Accumulated Income		-40,276.7	52,203.1	149,108.1	183,324.0	225,120.0	276,107.9	334,675.9	400,823.9	474,551.9	539,598.3	657,032.5	657,032.5
N. Ratio (%)													
Operating Profit		21.6	43.9	43.1	30.9	30.9	31.4	31.4	31.4	31.4	31.4	48.6	35.0
Income before Tax		-20.3	23.0	24.1	10.2	12.5	15.3	17.5	19.8	22.1	24.3	46.9	19.4
Net Income		-20.3	23.0	24.1	10.2	12.5	15.3	17.5	19.8	22.1	19.5	35.2	17.9

Table 41-1 Proforma Income Statement (Case 4-1)

Sales Revenue 10% down
Loan/Capital=100/0

(Unit: NRs 1,000)

		1	2	3	4	5	6	7	8	9	10	11	Total
A. Revenue		162,307.0	329,180.0	329,180.0	273,375.0	273,375.0	273,375.0	273,375.0	273,375.0	273,375.0	273,375.0	273,375.0	3,007,667.0
B. Raw Material Cost		30,973.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	585,703.0
C. Variable Cost		44,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	893,603.0
Auxiliary Material		21,182.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	396,452.0
Packing Material		160.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	2,990.0
Power Charge		10,429.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	219,009.0
Fuel Charge		12,413.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	260,683.0
Water Charge		689.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	14,469.0
D. Fixed Cost		79,757.0	85,229.0	88,384.0	90,448.0	90,448.0	88,836.0	88,836.0	88,836.0	88,836.0	88,836.0	31,515.0	909,961.0
Labour Expenses		8,541.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	117,551.0
Maintenance Expenses		2,100.0	5,220.0	8,375.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	99,207.0
Depreciation		66,450.0	66,434.0	66,434.0	66,434.0	66,434.0	64,822.0	64,822.0	64,822.0	64,822.0	64,822.0	7,501.0	663,797.0
Overhead Expenditure		2,666.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	29,406.0
E. Manufacturing Cost	(B+C+D)	155,603.0	225,575.0	228,730.0	230,794.0	230,794.0	229,182.0	229,182.0	229,182.0	229,182.0	229,182.0	171,861.0	2,389,267.0
F. Operating Profit	(A-E)	6,704.0	103,605.0	100,450.0	42,581.0	42,581.0	44,193.0	44,193.0	44,193.0	44,193.0	44,193.0	101,514.0	618,400.0
G. Financial Charges		90,707.6	91,486.2	82,102.9	72,719.8	63,336.5	53,953.4	44,570.1	35,187.0	25,803.8	16,420.6	7,037.5	583,325.4
Interest on L-T Debt (Forign 10.5%)		80,883.1	78,860.9	70,772.6	62,684.3	54,596.0	46,507.7	38,419.4	30,331.1	22,242.9	14,154.5	6,066.3	505,518.8
Interest on L-T Debt (Local 12%)		9,824.5	12,625.3	11,330.3	10,035.5	8,740.5	7,445.7	6,150.7	4,855.9	3,560.9	2,266.1	971.2	77,806.6
Interest on S-T Debt (Local 17%)													
H. Amortization		12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0		120,880.0
I. Total Cost of Sales	(E+G+H)	258,398.6	329,149.2	322,920.9	315,601.8	306,218.5	295,223.4	285,840.1	276,457.0	267,073.8	257,690.6	178,898.5	3,093,472.4
J. Income before Tax	(F-G-H)	-96,091.6	30.8	6,259.1	-42,226.8	-32,843.5	-21,848.4	-12,465.1	-3,082.0	6,301.2	15,684.4	94,476.5	-85,805.4
K. Income Tax											2,352.7	18,895.3	21,248.0
L. Net Income	(J-K)	-96,091.6	30.8	6,259.1	-42,226.8	-32,843.5	-21,848.4	-12,465.1	-3,082.0	6,301.2	13,331.7	75,581.2	-107,053.4
M. Accumulated Income													
N. Ratio (%)													
Operating Profit		4.1	31.4	30.5	15.6	15.6	16.2	16.2	16.2	16.2	16.2	37.1	20.6
Income before Tax		-59.2	0.0	1.9	-15.4	-12.0	-8.0	-4.6	-1.1	2.3	5.7	3.5	-31.4
Net Income		-59.2	0.0	1.9	-15.4	-12.0	-8.0	-4.6	-1.1	2.3	4.9	2.8	-39.2

Table 41-2 Proforma Income Statement (Case 4-2)

Sales Revenue 10% down
Loan/Capital=80/20

(Unit: NRs 1, 000)

		1	2	3	4	5	6	7	8	9	10	11	Total
A. Revenue		162,307.0	329,180.0	329,180.0	273,375.0	273,375.0	273,375.0	273,375.0	273,375.0	273,375.0	273,375.0	273,375.0	3,007,667.0
B. Raw Material Cost		30,973.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	585,703.0
C. Variable Cost		44,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	893,603.0
Auxiliary Material		21,182.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	396,452.0
Packing Material		160.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	2,990.0
Power Charge		10,429.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	219,009.0
Fuel Charge		12,413.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	260,683.0
Water Charge		689.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	14,469.0
D. Fixed Cost		79,757.0	85,229.0	88,384.0	90,448.0	90,448.0	88,836.0	88,836.0	88,836.0	88,836.0	88,836.0	31,515.0	909,961.0
Labour Expenses		8,541.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	117,551.0
Maintenance Expenses		2,100.0	5,220.0	8,375.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	99,207.0
Depreciation		66,450.0	66,434.0	66,434.0	66,434.0	66,434.0	64,822.0	64,822.0	64,822.0	64,822.0	64,822.0	7,501.0	663,797.0
Overhead Expenditure		2,666.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	29,406.0
E. Manufacturing Cost	(B+C+D)	155,603.0	225,575.0	228,730.0	230,794.0	230,794.0	229,182.0	229,182.0	229,182.0	229,182.0	229,182.0	171,861.0	2,389,267.0
F. Operating Profit	(A-E)	6,704.0	103,605.0	100,450.0	42,581.0	42,581.0	44,193.0	44,193.0	44,193.0	44,193.0	44,193.0	101,514.0	618,400.0
G. Financial Charges		72,675.7	73,905.2	66,325.0	58,745.1	51,165.0	43,585.1	36,005.0	28,425.0	20,845.0	13,265.0	5,685.1	470,626.2
Interest on L-T Debt (Forign 10.5%)		62,851.2	61,279.9	54,994.7	48,709.6	42,424.5	36,139.4	29,854.3	23,569.1	17,284.1	10,998.9	4,713.9	392,819.6
Interest on L-T Debt (Local 12%)		9,824.5	12,625.3	11,330.3	10,035.5	8,740.5	7,445.7	6,150.7	4,855.9	3,560.9	2,266.1	.971.2	77,806.6
Interest on S-T Debt (Local 17%)													
H. Amortization		10,373.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0		103,703.0
I. Total Cost of Sales	(E+G+H)	238,651.7	309,850.2	305,425.0	299,909.1	292,329.0	283,137.1	275,557.0	267,977.0	260,397.0	252,817.0	177,546.1	2,963,596.2
J. Income before Tax	(F-G-H)	-76,344.7	19,329.8	23,755.0	-26,534.1	-18,954.0	-9,762.1	-2,182.0	5,398.0	12,978.0	20,558.0	95,828.9	44,070.8
K. Income Tax											3,083.7	19,165.8	22,249.5
L. Net Income	(J-K)	-76,344.7	19,329.8	23,755.0	-26,534.1	-18,954.0	-9,762.1	-2,182.0	5,398.0	12,978.0	17,474.3	76,663.1	21,821.3
M. Accumulated Income		-76,344.7	-57,014.9	-33,259.9	-59,794.0	-78,748.0	-88,510.1	-90,692.1	-85,294.1	-72,316.1	-54,841.8	21,821.3	21,821.3
N. Ratio (%)													
Operating Profit		4.1	31.5	30.5	15.6	15.6	16.2	16.2	16.2	16.2	16.2	37.1	20.6
Income before Tax		-47.0	5.9	7.2	-9.7	-6.9	-3.6	-0.8	2.0	4.7	7.5	35.1	1.5
Net Income		-47.0	5.9	7.2	-9.7	-6.9	-3.6	-0.8	2.0	4.7	6.4	28.0	0.7

Table 42-1 Proforma Income Statement (Case 5-1)

Raw Material Cost 10% down

Loan/Capital=100/0

(Unit: NRs 1, 000)

		1	2	3	4	5	6	7	8	9	10	11	Total
A. Revenue		180,341.0	365,755.0	365,755.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	3,341,851.0
B. Raw Material Cost		27,876.0	49,926.0	49,926.0	49,926.0	49,926.0	49,926.0	49,926.0	49,926.0	49,926.0	49,926.0	49,926.0	527,136.0
C. Variable Cost		44,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	893,603.0
Auxiliary Material		21,182.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	396,452.0
Packing Material		160.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	2,990.0
Power Charge		10,429.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	219,009.0
Fuel Charge		12,413.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	260,683.0
Water Charge		689.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	14,469.0
D. Fixed Cost		79,757.0	85,229.0	88,384.0	90,448.0	90,448.0	88,836.0	88,836.0	88,836.0	88,836.0	88,836.0	31,515.0	909,961.0
Labour Expenses		8,541.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	117,551.0
Maintenance Expenses		2,100.0	5,220.0	8,375.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	99,207.0
Depreciation		66,450.0	66,434.0	66,434.0	66,434.0	66,434.0	64,822.0	64,822.0	64,822.0	64,822.0	64,822.0	7,501.0	663,797.0
Overhead Expenditure		2,666.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	29,406.0
E. Manufacturing Cost	(B+C+D)	152,506.0	220,028.0	223,183.0	225,247.0	225,247.0	223,635.0	223,635.0	223,635.0	223,635.0	223,635.0	166,314.0	2,330,700.0
F. Operating Profit	(A-E)	27,835.0	145,727.0	142,572.0	78,503.0	78,503.0	80,115.0	80,115.0	80,115.0	80,115.0	80,115.0	137,436.0	1,011,151.0
G. Financial Charges		90,707.6	91,486.2	82,102.9	72,719.8	63,336.5	53,953.4	44,570.1	35,187.0	25,803.8	16,420.6	7,037.5	583,325.4
Interest on L-T Debt (Forign 10.5%)		80,883.1	78,860.9	70,772.6	62,684.3	54,596.0	46,507.7	38,419.4	30,331.1	22,242.9	14,154.5	6,066.3	505,518.8
Interest on L-T Debt (Local 12%)		9,824.5	12,625.3	11,330.3	10,035.5	8,740.5	7,445.7	6,150.7	4,855.9	3,560.9	2,266.1	971.2	77,806.6
Interest on S-T Debt (Local 17%)													
H. Amortization		12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0		120,880.0
I. Total Cost of Sales	(E+G+H)	255,301.6	323,602.2	317,373.9	310,054.8	300,671.5	289,676.4	280,293.1	270,910.0	261,526.8	252,143.6	173,351.5	3,034,905.4
J. Income before Tax	(F-G-H)	-74,960.6	42,152.8	48,381.1	-6,304.8	3,078.5	14,073.6	23,456.9	32,840.0	42,223.2	51,606.4	130,398.5	306,945.6
K. Income Tax											10,321.3	32,599.6	42,920.9
L. Net Income	(J-K)	-74,960.6	42,152.8	48,381.1	-6,304.8	3,078.5	14,073.6	23,456.9	32,840.0	42,223.2	41,285.1	97,798.9	264,024.7
M. Accumulated Income		-74,960.6	-32,807.8	15,573.3	9,268.5	12,347.0	26,420.6	49,877.5	82,717.5	124,940.7	166,225.8	264,024.7	264,024.7
N. Ratio (%)													
Operating Profit		15.4	39.8	39.0	25.8	25.8	26.4	26.4	26.4	26.4	26.4	45.2	30.3
Income before Tax		-41.6	11.5	13.2	-2.0	1.0	4.6	7.7	10.8	13.9	17.0	42.9	9.2
Net Income		-41.6	11.5	13.2	-2.0	1.0	4.6	7.7	10.8	13.9	13.6	32.2	7.9

Table 42-2 Proforma Income Statement (Case 5-2)

Raw Material Cost 10% up
Loan/Capital=100/0

(Unit: NRs 1,000)

		1	2	3	4	5	6	7	8	9	10	11	Total
A. Revenue		180,341.0	365,755.0	365,755.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	3,341,851.0
B. Raw Material Cost		34,070.0	61,020.0	61,020.0	61,020.0	61,020.0	61,020.0	61,020.0	61,020.0	61,020.0	61,020.0	61,020.0	644,270.0
C. Variable Cost		44,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	893,603.0
Auxiliary Material		21,182.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	396,452.0
Packing Material		160.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	2,990.0
Power Charge		10,429.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	219,009.0
Fuel Charge		12,413.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	260,683.0
Water Charge		689.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	14,469.0
D. Fixed Cost		79,757.0	85,229.0	88,384.0	90,448.0	90,448.0	88,836.0	88,836.0	88,836.0	88,836.0	88,836.0	31,515.0	909,961.0
Labour Expenses		8,541.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	117,551.0
Maintenance Expenses		2,100.0	5,220.0	8,375.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	99,207.0
Depreciation		66,450.0	66,434.0	66,434.0	66,434.0	66,434.0	64,822.0	64,822.0	64,822.0	64,822.0	64,822.0	7,501.0	663,797.0
Overhead Expenditure		2,666.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	29,406.0
E. Manufacturing Cost	(B+C+D)	158,700.0	231,122.0	234,277.0	236,341.0	236,341.0	234,729.0	234,729.0	234,729.0	234,729.0	234,729.0	177,408.0	2,447,834.0
F. Operating Profit	(A-E)	21,641.0	134,633.0	131,478.0	67,409.0	67,409.0	69,021.0	69,021.0	69,021.0	69,021.0	69,021.0	126,342.0	894,017.0
G. Financial Charges		90,707.6	91,486.2	82,102.9	72,719.8	63,336.5	53,953.4	44,570.1	35,187.0	25,803.8	16,420.6	7,037.5	583,325.4
Interest on L-T Debt (Forign 10.5%)		80,883.1	78,860.9	70,772.6	62,684.3	54,596.0	46,507.7	38,419.4	30,331.1	22,242.9	14,154.5	6,066.3	505,518.8
Interest on L-T Debt (Local 12%)		9,824.5	12,625.3	11,330.3	10,035.5	8,740.5	7,445.7	6,150.7	4,855.9	3,560.9	2,266.1	971.2	77,806.6
Interest on S-T Debt (Local 17%)													
H. Amortization		12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0	12,088.0		120,880.0
I. Total Cost of Sales	(E+G+H)	261,495.6	334,696.2	328,467.9	321,148.8	311,765.5	300,770.4	291,387.1	282,004.0	272,620.8	263,237.6	184,445.5	3,152,039.4
J. Income before Tax	(F-G-H)	-81,154.6	31,058.8	37,287.1	-17,398.8	-8,015.5	2,979.6	12,362.9	21,746.0	31,129.2	40,512.4	119,304.5	189,811.6
K. Income Tax											6,076.9	29,826.1	35,903.0
L. Net Income	(J-K)	-81,154.6	31,058.8	37,287.1	-17,398.8	-8,015.5	2,979.6	12,362.9	21,746.0	31,129.2	34,435.5	89,478.4	153,908.6
M. Accumulated Income		-81,154.6	-50,095.8	-12,808.7	-30,207.5	-38,223.0	-35,243.4	-22,880.5	-1,134.5	29,994.7	64,430.2	153,908.6	153,908.6
N. Ratio (%)													
Operating Profit		12.0	36.8	35.9	22.2	22.2	22.7	22.7	22.7	22.7	22.7	41.6	26.8
Income before Tax		-45.0	8.5	10.2	-5.7	-2.6	1.0	4.1	7.2	10.2	13.3	39.3	5.7
Net Income		-45.0	8.5	10.2	-5.7	-2.6	1.0	4.1	7.2	10.2	11.3	29.5	4.6

Table 43-1 Proforma Income Statement (Case 6-1)

Raw Material Cost 10% down

Loan/Capital=80/20

(Unit: NRs 1,000)

		1	2	3	4	5	6	7	8	9	10	11	Total
A. Revenue		180,341.0	365,755.0	365,755.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	3,341,851.0
B. Raw Material Cost		27,876.0	49,926.0	49,926.0	49,926.0	49,926.0	49,926.0	49,926.0	49,926.0	49,926.0	49,926.0	49,926.0	527,136.0
C. Variable Cost		44,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	893,603.0
Auxiliary Material		21,182.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	396,452.0
Packing Material		160.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	2,990.0
Power Charge		10,429.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	219,009.0
Fuel Charge		12,413.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	260,683.0
Water Charge		689.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	14,469.0
D. Fixed Cost		79,757.0	85,229.0	88,384.0	90,448.0	90,448.0	88,836.0	88,836.0	88,836.0	88,836.0	88,836.0	31,515.0	909,961.0
Labour Expenses		8,541.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	117,551.0
Maintenance Expenses		2,100.0	5,220.0	8,375.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	99,207.0
Depreciation		66,450.0	66,434.0	66,434.0	66,434.0	66,434.0	64,822.0	64,822.0	64,822.0	64,822.0	64,822.0	7,501.0	663,797.0
Overhead Expenditure		2,666.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	29,406.0
E. Manufacturing Cost	(B+C+D)	152,506.0	220,028.0	223,183.0	225,247.0	225,247.0	223,635.0	223,635.0	223,635.0	223,635.0	223,635.0	166,314.0	2,330,700.0
F. Operating Profit	(A-E)	27,835.0	145,727.0	142,572.0	78,503.0	78,503.0	80,115.0	80,115.0	80,115.0	80,115.0	80,115.0	137,436.0	1,011,151.0
G. Financial Charges		72,675.7	73,905.2	66,325.0	58,745.1	51,165.0	43,585.1	36,005.0	28,425.0	20,845.0	13,265.0	5,685.1	470,626.2
Interest on L-T Debt (Forign 10.5%)		62,851.2	61,279.9	54,994.7	48,709.6	42,424.5	36,139.4	29,854.3	23,569.1	17,284.1	10,998.9	4,713.9	392,819.6
Interest on L-T Debt (Local 12%)		9,824.5	12,625.3	11,330.3	10,035.5	8,740.5	7,445.7	6,150.7	4,855.9	3,560.9	2,266.1	971.2	77,806.6
Interest on S-T Debt (Local 17%)													
H. Amortization		10,373.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0		103,703.0
I. Total Cost of Sales	(E+G+H)	235,554.7	304,303.2	299,878.0	294,362.1	286,782.0	277,590.1	270,010.0	262,430.0	254,850.0	247,270.0	171,999.1	2,905,029.2
J. Income before Tax	(F-G-H)	-55,213.7	61,451.8	65,877.0	9,387.9	16,968.0	26,159.9	33,740.0	41,320.0	48,900.0	56,480.0	131,750.9	436,821.8
K. Income Tax											11,296.0	32,937.7	44,233.7
L. Net Income	(J-K)	-55,213.7	61,451.8	65,877.0	9,387.9	16,968.0	26,159.9	33,740.0	41,320.0	48,900.0	45,184.0	98,813.2	392,588.1
M. Accumulated Income		-55,213.7	6,238.1	72,115.1	81,503.0	98,471.0	124,630.9	158,370.9	199,690.9	248,590.9	293,774.9	392,588.1	392,588.1
N. Ratio (%)													
Operating Profit		15.4	39.8	39.0	25.8	25.8	26.4	26.4	26.4	26.4	26.4	45.2	30.3
Income before Tax		-30.6	16.8	18.0	3.1	5.6	8.6	11.1	13.6	16.1	18.6	43.4	13.1
Net Income		-30.6	16.8	18.0	3.1	5.6	8.6	11.1	13.6	16.1	14.9	32.5	11.7

Table 43-2 Proforma Income Statement (Case 6-2)

Raw Material Cost 10% up
Loan/Capital=80/20

(Unit: NRs 1,000)

		1	2	3	4	5	6	7	8	9	10	11	Total
A. Revenue		180,341.0	365,755.0	365,755.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	3,341,851.0
B. Raw Material Cost		34,070.0	61,020.0	61,020.0	61,020.0	61,020.0	61,020.0	61,020.0	61,020.0	61,020.0	61,020.0	61,020.0	644,270.0
C. Variable Cost		44,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	893,603.0
Auxiliary Material		21,182.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	396,452.0
Packing Material		160.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	2,990.0
Power Charge		10,429.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	219,009.0
Fuel Charge		12,413.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	260,683.0
Water Charge		689.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	14,469.0
D. Fixed Cost		79,757.0	85,229.0	88,384.0	90,448.0	90,448.0	88,836.0	88,836.0	88,836.0	88,836.0	88,836.0	31,515.0	909,961.0
Labour Expenses		8,541.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	117,551.0
Maintenance Expenses		2,100.0	5,220.0	8,375.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	99,207.0
Depreciation		66,450.0	66,434.0	66,434.0	66,434.0	66,434.0	64,822.0	64,822.0	64,822.0	64,822.0	64,822.0	7,501.0	663,797.0
Overhead Expenditure		2,666.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	29,406.0
E. Manufacturing Cost	(B+C+D)	158,700.0	231,122.0	234,277.0	236,341.0	236,341.0	234,729.0	234,729.0	234,729.0	234,729.0	234,729.0	177,408.0	2,447,834.0
F. Operating Profit	(A-E)	21,641.0	134,633.0	131,478.0	67,409.0	67,409.0	69,021.0	69,021.0	69,021.0	69,021.0	69,021.0	126,342.0	894,017.0
G. Financial Charges		72,675.7	73,905.2	66,325.0	58,745.1	51,165.0	43,585.1	36,005.0	28,425.0	20,845.0	13,265.0	5,685.1	470,626.2
Interest on L-T Debt (Forign 10.5%)		62,851.2	61,279.9	54,994.7	48,709.6	42,424.5	36,139.4	29,854.3	23,569.1	17,284.1	10,998.9	4,713.9	392,819.6
Interest on L-T Debt (Local 12%)		9,824.5	12,625.3	11,330.3	10,035.5	8,740.5	7,445.7	6,150.7	4,855.9	3,560.9	2,266.1	971.2	77,806.6
Interest on S-T Debt (Local 17%)													
H. Amortization		10,373.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0	10,370.0		103,703.0
I. Total Cost of Sales	(E+G+H)	241,748.7	315,397.2	310,972.0	305,456.1	297,876.0	288,684.1	281,104.0	273,524.0	265,944.0	258,364.0	183,093.1	3,022,163.2
J. Income before Tax	(F-G-H)	-61,407.7	50,357.8	54,783.0	-1,706.1	5,874.0	15,065.9	22,646.0	30,226.0	37,806.0	45,386.0	120,656.9	319,687.8
K. Income Tax											6,807.9	30,164.2	36,972.1
L. Net Income	(J-K)	-61,407.7	50,357.8	54,783.0	-1,706.1	5,874.0	15,065.9	22,646.0	30,226.0	37,806.0	38,578.1	90,492.7	282,715.7
M. Accumulated Income		-61,407.7	-11,049.9	43,733.1	42,027.0	47,901.0	62,966.9	85,612.9	115,838.9	153,644.9	192,223.0	282,715.7	282,715.7
N. Ratio (%)													
Operating Profit		12.0	36.8	35.9	22.2	22.2	22.7	22.7	22.7	22.7	22.7	41.6	26.8
Income before Tax		-34.1	13.8	15.0	-0.6	1.9	5.0	7.5	10.0	12.4	14.9	39.7	10.5
Net Income		-34.1	13.8	15.0	-0.6	1.9	5.0	7.5	10.0	12.4	12.7	29.8	8.5

Table 44-1 Proforma Income Statement (Case 7-1)

Interest 1.5% down
Loan/Capital=100/0

(Unit: NRs 1,000)

		1	2	3	4	5	6	7	8	9	10	11	Total
A. Revenue		180,341.0	365,755.0	365,755.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	3,341,851.0
B. Raw Material Cost		30,973.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	585,703.0
C. Variable Cost		44,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	893,603.0
Auxiliary Material		21,182.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	396,452.0
Packing Material		160.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	2,990.0
Power Charge		10,429.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	219,009.0
Fuel Charge		12,413.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	260,683.0
Water Charge		689.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	14,469.0
D. Fixed Cost		79,757.0	85,229.0	88,384.0	90,448.0	90,448.0	88,836.0	88,836.0	88,836.0	88,836.0	88,836.0	31,515.0	909,961.0
Labour Expenses		8,541.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	117,551.0
Maintenance Expenses		2,100.0	5,220.0	8,375.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	99,207.0
Depreciation		66,450.0	66,434.0	66,434.0	66,434.0	66,434.0	64,822.0	64,822.0	64,822.0	64,822.0	64,822.0	7,501.0	663,797.0
Overhead Expenditure		2,666.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	29,406.0
E. Manufacturing Cost	(B+C+D)	155,603.0	225,575.0	228,730.0	230,794.0	230,794.0	229,182.0	229,182.0	229,182.0	229,182.0	229,182.0	171,861.0	2,389,267.0
F. Operating Profit	(A-E)	24,738.0	140,180.0	137,025.0	72,956.0	72,956.0	74,568.0	74,568.0	74,568.0	74,568.0	74,568.0	131,889.0	952,584.0
G. Financial Charges		77,724.6	78,827.6	70,742.4	62,657.7	54,572.8	46,488.0	38,403.0	30,318.2	22,233.3	14,148.6	6,063.7	502,179.9
Interest on L-T Debt (Forign 10.5%)		67,900.1	66,202.3	59,412.1	52,622.2	45,832.3	39,042.3	32,252.3	25,462.3	18,672.4	11,882.5	5,092.5	424,373.3
Interest on L-T Debt (Local 12%)		9,824.5	12,625.3	11,330.3	10,035.5	8,740.5	7,445.7	6,150.7	4,855.9	3,560.9	2,266.1	971.2	77,806.6
Interest on S-T Debt (Local 17%)													
H. Amortization		10,501.0	10,501.0	10,501.0	10,501.0	10,501.0	10,501.0	10,501.0	10,501.0	10,501.0	10,501.0		105,010.0
I. Total Cost of Sales	(E+G+H)	243,828.6	314,903.6	309,973.4	303,952.7	295,867.8	286,171.0	278,086.0	270,001.2	261,916.3	253,831.6	177,924.7	2,996,456.9
J. Income before Tax	(F-G-H)	-63,487.6	50,851.4	55,781.6	-202.7	7,882.2	17,579.0	25,664.0	33,748.8	41,833.7	49,918.4	125,825.3	345,394.1
K. Income Tax											7,487.8	31,456.3	38,944.1
L. Net Income	(J-K)	-63,487.6	50,851.4	55,781.6	-202.7	7,882.2	17,579.0	25,664.0	33,748.8	41,833.7	42,430.6	94,369.0	306,450.0
M. Accumulated Income		-63,487.6	-12,636.2	43,145.4	42,942.7	50,824.9	68,403.9	94,067.9	127,816.7	169,650.4	212,081.0	306,450.0	306,450.0
N. Ratio (%)													
Operating Profit		13.7	38.3	37.5	24.0	24.0	24.5	24.5	24.5	24.5	24.5	43.4	28.5
Income before Tax		-35.2	13.9	15.3	-0.1	2.6	5.8	8.4	11.1	13.8	16.4	41.4	10.3
Net Income		-35.2	13.9	15.3	-0.1	2.6	5.8	8.4	11.1	13.8	14.0	31.1	9.2

Table 44-2 Proforma Income Statement (Case 7-2)

Interest 1.5% down.

Loan/Capital=80/20

(Unit: NRs 1,000)

		1	2	3	4	5	6	7	8	9	10	11	Total
A. Revenue		180,341.0	365,755.0	365,755.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	3,341,851.0
B. Raw Material Cost		30,973.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	585,703.0
C. Variable Cost		44,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	893,603.0
Auxiliary Material		21,182.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	396,452.0
Packing Material		160.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	2,990.0
Power Charge		10,429.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	219,009.0
Fuel Charge		12,413.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	260,683.0
Water Charge		689.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	14,469.0
D. Fixed Cost		79,757.0	85,229.0	88,384.0	90,448.0	90,448.0	88,836.0	88,836.0	88,836.0	88,836.0	88,836.0	31,515.0	909,961.0
Labour Expenses		8,541.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	117,551.0
Maintenance Expenses		2,100.0	5,220.0	8,375.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	99,207.0
Depreciation		66,450.0	66,434.0	66,434.0	66,434.0	66,434.0	64,822.0	64,822.0	64,822.0	64,822.0	64,822.0	7,501.0	663,797.0
Overhead Expenditure		2,666.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	29,406.0
E. Manufacturing Cost	(B+C+D)	155,603.0	225,575.0	228,730.0	230,794.0	230,794.0	229,182.0	229,182.0	229,182.0	229,182.0	229,182.0	171,861.0	2,389,267.0
F. Operating Profit	(A-E)	24,738.0	140,180.0	137,025.0	72,956.0	72,956.0	74,568.0	74,568.0	74,568.0	74,568.0	74,568.0	131,889.0	952,584.0
G. Financial Charges		61,880.4	63,379.9	56,879.3	50,378.9	43,878.3	37,377.9	30,877.3	24,376.9	17,876.3	11,375.9	4,875.4	403,156.5
Interest on L-T Debt (Forign 10.5%)		52,055.9	50,754.6	45,549.0	40,343.4	35,137.8	29,932.2	24,726.6	19,521.0	14,315.4	9,109.8	3,904.2	325,349.9
Interest on L-T Debt (Local 12%)		9,824.5	12,625.3	11,330.3	10,035.5	8,740.5	7,445.7	6,150.7	4,855.9	3,560.9	2,266.1	971.2	77,806.6
Interest on S-T Debt (Local 17%)													
H. Amortization		8,351.0	8,352.0	8,352.0	8,352.0	8,352.0	8,352.0	8,352.0	8,352.0	8,352.0	8,352.0		83,519.0
I. Total Cost of Sales	(E+G+H)	225,834.4	297,306.9	293,961.3	289,524.9	283,024.3	274,911.9	268,411.3	261,910.9	255,410.3	248,909.9	176,736.4	2,875,942.5
J. Income before Tax	(F-G-H)	-45,493.4	68,448.1	71,793.7	14,225.1	20,725.7	28,838.1	35,338.7	41,839.1	48,339.7	54,840.1	127,013.6	465,908.5
K. Income Tax											10,868.0	31,753.4	42,721.4
L. Net Income	(J-K)	-45,493.4	68,448.1	71,793.7	14,225.1	20,725.7	28,838.1	35,338.7	41,839.1	48,339.7	43,872.1	95,260.2	423,187.1
M. Accumulated Income		-45,493.4	22,954.7	94,748.4	108,973.5	129,699.2	158,537.3	193,876.0	235,715.1	284,054.8	327,926.9	423,187.1	423,187.1
N. Ratio (%)													
Operating Profit		13.7	38.3	37.5	24.0	24.0	24.5	24.5	24.5	24.5	24.5	43.4	28.5
Income before Tax		-25.2	18.7	19.6	4.7	6.8	9.5	11.6	13.8	15.9	18.1	41.8	13.9
Net Income		-25.2	18.7	19.6	4.7	6.8	9.5	11.6	13.8	15.9	14.4	31.4	12.7

Table 45-1 Proforma Income Statement (Case 8-1)

Interest 1.5% up
Loan/Capital=100/0

(Unit: NRs 1,000)

		1	2	3	4	5	6	7	8	9	10	11	Total
A. Revenue		180,341.0	365,755.0	365,755.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	3,341,851.0
B. Raw Material Cost		30,973.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	585,703.0
C. Variable Cost		44,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	893,603.0
Auxiliary Material		21,182.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	396,452.0
Packing Material		160.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	2,990.0
Power Charge		10,429.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	219,009.0
Fuel Charge		12,413.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	260,683.0
Water Charge		689.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	14,469.0
D. Fixed Cost		79,757.0	85,229.0	88,384.0	90,448.0	90,448.0	88,836.0	88,836.0	88,836.0	88,836.0	88,836.0	31,515.0	909,961.0
Labour Expenses		8,541.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	117,551.0
Maintenance Expenses		2,100.0	5,220.0	8,375.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	99,207.0
Depreciation		66,450.0	66,434.0	66,434.0	66,434.0	66,434.0	64,822.0	64,822.0	64,822.0	64,822.0	64,822.0	7,501.0	663,797.0
Overhead Expenditure		2,666.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	29,406.0
E. Manufacturing Cost	(B+C+D)	155,603.0	225,575.0	228,730.0	230,794.0	230,794.0	229,182.0	229,182.0	229,182.0	229,182.0	229,182.0	171,861.0	2,389,267.0
F. Operating Profit	(A-E)	24,738.0	140,180.0	137,025.0	72,956.0	72,956.0	74,568.0	74,568.0	74,568.0	74,568.0	74,568.0	131,889.0	952,584.0
G. Financial Charges		104,184.8	104,626.9	93,896.0	83,165.1	72,434.1	61,703.1	50,972.1	40,241.2	29,510.1	18,779.3	8,048.2	667,560.9
Interest on L-T Debt (Forign 14.5%)		94,360.3	92,001.6	82,565.7	73,129.6	63,693.6	54,257.4	44,821.4	35,385.3	25,949.2	16,513.2	7,077.0	589,754.3
Interest on L-T Debt (Local 14.5%)		9,824.5	12,625.3	11,330.3	10,035.5	8,740.5	7,445.7	6,150.7	4,855.9	3,560.9	2,261.1	971.2	77,806.6
Interest on S-T Debt (Local 17%)													
H. Amortization		13,691.0	13,690.0	13,690.0	13,690.0	13,690.0	13,690.0	13,690.0	13,690.0	13,690.0	13,690.0		136,901.0
I. Total Cost of Sales	(E+G+H)	273,478.8	343,891.9	336,316.0	327,649.1	316,918.1	304,575.1	293,844.1	283,113.2	272,382.1	261,651.3	179,909.2	3,193,728.9
J. Income before Tax	(F-G-H)	-93,137.8	21,863.1	29,439.0	-23,899.1	-13,168.1	-825.1	9,905.9	20,636.8	31,367.9	42,098.7	123,840.8	148,122.1
K. Income Tax											6,314.8	30,960.2	37,275.0
L. Net Income	(J-K)	-93,137.8	21,863.1	29,439.0	-23,899.1	-13,168.1	-825.1	9,905.9	20,636.8	31,367.9	35,783.9	92,880.6	110,847.1
M. Accumulated Income		-93,137.8	-71,274.7	-41,835.7	-65,734.8	-78,902.9	-79,728.0	-69,822.1	-49,185.3	-17,817.4	17,966.5	110,847.1	110,847.1
N. Ratio (%)													
Operating Profit		13.7	38.3	37.5	24.0	24.0	24.5	24.5	24.5	24.5	24.5	43.4	28.5
Income before Tax		-51.6	6.0	8.0	-7.9	-4.3	-0.3	3.3	6.8	10.3	13.9	40.8	4.4
Net Income		-51.6	6.0	8.0	-7.9	-4.3	-0.3	3.3	6.8	10.3	11.8	30.6	3.3

Table 45-2 Proforma Income Statement (Case 8-2)

Interest 1.5% up
Loan/Capital=80/20

(Unit: NRs 1,000)

		1	2	3	4	5	6	7	8	9	10	11	Total
A. Revenue		180,341.0	365,755.0	365,755.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	303,750.0	3,341,851.0
B. Raw Material Cost		30,973.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	55,473.0	585,703.0
C. Variable Cost		44,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	84,873.0	893,603.0
Auxiliary Material		21,182.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	37,527.0	396,452.0
Packing Material		160.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	283.0	2,990.0
Power Charge		10,429.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	20,858.0	219,009.0
Fuel Charge		12,413.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	24,827.0	260,683.0
Water Charge		689.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	1,378.0	14,469.0
D. Fixed Cost		79,757.0	85,229.0	88,384.0	90,448.0	90,448.0	88,836.0	88,836.0	88,836.0	88,836.0	88,836.0	31,515.0	909,961.0
Labour Expenses		8,541.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	10,901.0	117,551.0
Maintenance Expenses		2,100.0	5,220.0	8,375.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	10,439.0	99,207.0
Depreciation		66,450.0	66,434.0	66,434.0	66,434.0	66,434.0	64,822.0	64,822.0	64,822.0	64,822.0	64,822.0	7,501.0	663,797.0
Overhead Expenditure		2,666.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	2,674.0	29,406.0
E. Manufacturing Cost	(B+C+D)	155,603.0	225,575.0	228,730.0	230,794.0	230,794.0	229,182.0	229,182.0	229,182.0	229,182.0	229,182.0	171,861.0	2,389,267.0
F. Operating Profit	(A-E)	24,738.0	140,180.0	137,025.0	72,956.0	72,956.0	74,568.0	74,568.0	74,568.0	74,568.0	74,568.0	131,889.0	952,584.0
G. Financial Charges		82,166.3	83,158.1	74,628.5	66,099.6	57,570.6	49,041.6	40,512.6	31,983.7	23,454.6	14,925.8	6,396.7	529,938.1
Interest on L-T Debt (Foreign 10.5%)		72,341.8	70,532.8	63,298.2	56,064.1	48,830.1	41,595.9	34,361.9	27,127.8	19,893.7	12,659.7	5,425.5	452,131.5
Interest on L-T Debt (Local 12%)		9,824.5	12,625.3	11,330.3	10,035.5	8,740.5	7,445.7	6,150.7	4,855.9	3,560.9	2,266.1	971.2	77,806.6
Interest on S-T Debt (Local 17%)													
H. Amortization		10,795.0	10,797.0	10,797.0	10,797.0	10,797.0	10,797.0	10,797.0	10,797.0	10,797.0	10,797.0		107,968.0
I. Total Cost of Sales	(E+G+H)	248,564.3	319,530.1	314,155.5	307,690.6	299,161.6	289,020.6	280,491.6	271,962.7	263,433.6	254,904.8	178,257.7	3,027,173.1
J. Income before Tax	(F-G-H)	-68,223.3	46,224.9	51,599.5	-3,940.6	4,588.4	14,729.4	23,258.4	31,787.3	40,316.4	48,845.2	125,492.3	314,677.9
K. Income Tax											7,326.8	31,373.1	38,699.9
L. Net Income	(J-K)	-68,223.3	46,224.9	51,599.5	-3,940.6	4,588.4	14,729.4	23,258.4	31,787.3	40,316.4	41,518.4	94,119.2	275,978.0
M. Accumulated Income		-68,223.3	-21,998.4	29,601.1	25,660.5	30,248.9	44,978.3	68,236.7	100,024.0	140,340.4	181,858.8	275,978.0	275,978.0
N. Ratio (%)													
Operating Profit		13.7	38.3	37.5	24.0	24.0	24.5	24.5	24.5	24.5	24.5	43.4	28.5
Income before Tax		-37.8	12.6	14.1	-1.3	1.5	4.8	7.7	10.5	13.3	16.1	41.3	9.4
Net Income		-37.8	12.6	14.1	-1.3	1.5	4.8	7.7	10.5	13.3	13.7	31.0	8.3

Table 46-1 Proforma Balance Sheet (Case 3-1)

Sales Revenue 10% up
 Loan/Capital=100/0

Unit: NRs' 000

ITEM/YEAR	0	1	2	3	4	5	6	7	8	9	10	11
A. CURRENT ASSETS												
Cash		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Receivables		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Inventories		23,027.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0
Total		26,037.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0
B. CASH SURPLUS		18,514.4	65,708.0	135,816.9	145,039.9	163,646.2	191,635.6	229,008.3	275,764.1	331,903.1	382,138.4	418,237.1
C. FIXED ASSETS												
Building	150,032.0	142,519.0	135,018.0	127,517.0	120,016.0	112,515.0	105,014.0	97,513.0	90,012.0	82,511.0	75,010.0	67,509.0
Plant & Machinery	573,211.0	515,889.0	458,568.0	401,247.0	343,926.0	286,605.0	229,284.0	171,963.0	114,642.0	57,321.0		
Vehicles & Furnitures	8,063.0	6,448.0	4,836.0	3,224.0	1,612.0							
Total	731,306.0	664,856.0	598,422.0	531,988.0	465,554.0	399,120.0	334,298.0	269,476.0	204,654.0	139,832.0	75,010.0	67,509.0
D. DIFERRED ASSETS												
Deficit		60,023.6										
Interest d. Construction	120,880.0	108,792.0	96,704.0	84,616.0	72,528.0	60,440.0	48,352.0	36,264.0	24,176.0	12,088.0		
Total	120,880.0	168,815.6	96,704.0	84,616.0	72,528.0	60,440.0	48,352.0	36,264.0	24,176.0	12,088.0		
E. TOTAL ASSETS	852,186.0	878,223.0	803,557.0	795,143.9	725,844.9	665,929.2	617,008.6	577,471.3	547,317.1	526,546.1	499,871.4	528,469.1
F. LONG TERM DEBT												
Foreign Loan	770,315.0	770,315.0	693,282.6	616,251.2	539,219.8	462,188.4	385,157.0	308,125.6	231,094.2	154,062.8	77,031.4	
Local Loan	81,871.0	107,908.0	97,117.2	86,326.4	75,535.6	64,744.8	53,954.0	43,163.2	32,372.4	21,581.6	10,790.8	
Total	852,186.0	878,223.0	790,399.8	702,577.6	614,755.4	526,933.2	439,111.0	351,288.8	263,466.6	175,644.4	87,822.2	
G. EQUITY												
Share Capital												
Retained Earnings			13,157.2	92,566.3	111,089.5	138,996.0	177,897.6	226,182.5	283,850.5	350,901.7	412,049.2	528,469.1
Total			13,157.2	92,566.3	111,089.5	138,996.0	177,897.6	226,182.5	283,850.5	350,901.7	412,049.2	528,469.1
H. TOTAL LIABILITIES & EQUITY	852,186.0	878,223.0	803,557.0	795,143.9	725,844.9	665,929.2	617,008.6	577,471.3	547,317.1	526,546.1	499,871.4	528,469.1

Table 46-2 Proforma Balance Sheet (Case 3-2)

Sales Revenue 10% up

Loan/Capital=80/20

Unit: NRs' 000

ITEM/YEAR	0	1	2	3	4	5	6	7	8	9	10	11
A. CURRENT ASSETS												
Cash		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Receivables		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Inventories		23,027.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0
Total		26,037.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0
B. CASH SURPLUS		36,546.3	118,494.1	221,554.1	261,925.0	309,876.0	365,406.9	428,517.9	499,208.9	577,479.9	647,069.3	701,355.5
C. FIXED ASSETS												
Building	150,032.0	142,519.0	135,018.0	127,517.0	120,016.0	112,515.0	105,014.0	97,513.0	90,012.0	82,511.0	75,010.0	67,509.0
Plant & Machinery	573,211.0	515,889.0	458,568.0	401,247.0	343,926.0	286,605.0	229,284.0	171,963.0	114,642.0	57,321.0		
Vehicles & Furnitures	8,063.0	6,448.0	4,836.0	3,224.0	1,612.0							
Total	731,306.0	664,856.0	598,422.0	531,988.0	465,554.0	399,120.0	334,298.0	269,476.0	204,654.0	139,832.0	75,010.0	67,509.0
D. DIFERRED ASSETS												
Deficit		40,276.7										
Interest d. Construction	103,703.0	93,330.0	82,960.0	72,590.0	62,220.0	51,850.0	41,480.0	31,110.0	20,740.0	10,370.0		
Total	103,703.0	133,606.7	82,960.0	72,590.0	62,220.0	51,850.0	41,480.0	31,110.0	20,740.0	10,370.0		
E. TOTAL ASSETS	835,009.0	861,046.0	842,599.1	868,855.1	832,422.0	803,569.0	783,907.9	771,826.9	767,325.9	770,404.9	764,802.3	811,587.5
F. LONG TERM DEBT												
Foreign Loan	598,583.0	598,583.0	538,723.8	478,865.6	419,007.4	359,149.2	299,291.0	239,432.8	179,574.6	119,716.4	59,858.2	
Local Loan	81,871.0	107,908.0	97,117.2	86,326.4	75,535.6	64,744.8	53,954.0	43,163.2	32,372.4	21,581.6	10,790.8	
Total	680,454.0	706,491.0	635,841.0	565,192.0	494,543.0	423,894.0	353,245.0	282,596.0	211,947.0	141,298.0	70,649.0	
G. EQUITY												
Share Capital	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0
Retained Earnings			52,203.1	149,108.1	183,324.0	225,120.0	276,107.9	334,675.9	400,823.9	474,551.9	539,598.3	657,032.5
Total	154,555.0	154,555.0	206,758.1	303,663.1	337,879.0	379,675.0	430,662.9	489,230.9	555,378.9	629,106.9	694,153.3	811,587.5
H. TOTAL LIABILITIES & EQUITY	835,009.0	861,046.0	842,599.1	868,855.1	832,422.0	803,569.0	783,907.9	771,826.9	767,325.9	770,404.9	764,802.3	811,587.5

Table 47 Proforma Balance Sheet (Case 4-2)

Sales Revenue 10% down
Loan/Capital=80/20

Unit: NRs' 000

ITEM/YEAR	0	1	2	3	4	5	6	7	8	9	10	11
A. CURRENT ASSETS												
Cash		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Receivables		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Inventories		23,027.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0
Total		26,037.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0
B. CASH SURPLUS		478.3	9,276.1	39,186.1	18,807.0	6,008.0	788.9	3,149.9	13,090.9	30,611.9	52,629.2	66,144.3
C. FIXED ASSETS												
Building	150,032.0	142,519.0	135,018.0	127,517.0	120,016.0	112,515.0	105,014.0	97,513.0	90,012.0	82,511.0	75,010.0	67,509.0
Plant & Machinery	573,211.0	515,889.0	458,568.0	401,247.0	343,926.0	286,605.0	229,284.0	171,963.0	114,642.0	57,321.0		
Vehicles & Furnitures	8,063.0	6,448.0	4,836.0	3,224.0	1,612.0							
Total	731,306.0	664,856.0	598,422.0	531,988.0	465,554.0	399,120.0	334,298.0	269,476.0	204,654.0	139,832.0	75,010.0	67,509.0
D. DIFERRED ASSETS												
Deficit		76,344.7	57,014.9	33,259.9	59,794.0	78,748.0	88,510.1	90,692.1	85,294.1	72,316.1	54,841.8	
Interest d. Construction	103,703.0	93,330.0	82,960.0	72,590.0	62,220.0	51,850.0	41,480.0	31,110.0	20,740.0	10,370.0		
Total	103,703.0	169,674.7	139,974.9	105,849.9	122,014.0	130,598.0	129,990.1	121,802.1	106,034.1	82,686.1	54,841.8	
E. TOTAL ASSETS	835,009.0	861,046.0	790,396.0	719,747.0	649,098.0	578,449.0	507,800.0	437,151.0	366,502.0	295,853.0	225,204.0	176,376.3
F. LONG TERM DEBT												
Foreign Loan	598,583.0	598,583.0	538,723.8	478,865.6	419,007.4	359,149.2	299,291.0	239,432.8	179,574.6	119,716.4	59,858.2	
Local Loan	81,871.0	107,908.0	97,117.2	86,326.4	75,535.6	64,744.8	53,954.0	43,163.2	32,372.4	21,581.6	10,790.8	
Total	680,454.0	706,491.0	635,841.0	565,192.0	494,543.0	423,894.0	353,245.0	282,596.0	211,947.0	141,298.0	70,649.0	
G. EQUITY												
Share Capital	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0
Retained Earnings												21,821.3
Total	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	176,376.3
H. TOTAL LIABILITIES & EQUITY	835,009.0	861,046.0	790,396.0	719,747.0	649,098.0	578,449.0	507,800.0	437,151.0	366,502.0	295,853.0	225,204.0	176,376.3

Table 48-1 Proforma Balance Sheet (Case 5-1)

Raw Material Cost 10% down

Loan/Capital=100/0

Unit: NRs' 000

ITEM/YEAR	0	1	2	3	4	5	6	7	8	9	10	11
A. CURRENT ASSETS												
Cash		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Receivables		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Inventories		23,027.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0
Total		26,037.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0
B. CASH SURPLUS		3,577.4	19,743.0	58,823.9	43,218.9	36,997.2	40,158.6	52,703.3	74,631.1	105,942.1	136,315.0	153,792.7
C. FIXED ASSETS												
Building	150,032.0	142,519.0	135,018.0	127,517.0	120,016.0	112,515.0	105,014.0	97,513.0	90,012.0	82,511.0	75,010.0	67,509.0
Plant & Machinery	573,211.0	515,889.0	458,568.0	401,247.0	343,926.0	286,605.0	229,284.0	171,963.0	114,642.0	57,321.0		
Vehicles & Furnitures	8,063.0	6,448.0	4,836.0	3,224.0	1,612.0							
Total	731,306.0	664,856.0	598,422.0	531,988.0	465,554.0	399,120.0	334,298.0	269,476.0	204,654.0	139,832.0	75,010.0	67,509.0
D. DIFERRED ASSETS												
Deficit		74,960.6	32,807.8									
Interest d. Construction	120,880.0	108,792.0	96,704.0	84,616.0	72,528.0	60,440.0	48,352.0	36,264.0	24,176.0	12,088.0		
Total	120,880.0	183,752.6	129,511.8	84,616.0	72,528.0	60,440.0	48,352.0	36,264.0	24,176.0	12,088.0		
E. TOTAL ASSETS	852,186.0	878,223.0	790,399.8	718,150.9	624,023.9	539,280.2	465,531.6	401,166.3	346,184.1	300,585.1	254,048.0	264,024.7
F. LONG TERM DEBT												
Foreign Loan	770,315.0	770,315.0	693,282.6	616,251.2	539,219.8	462,188.4	385,157.0	308,125.6	231,094.2	154,062.8	77,031.4	
Local Loan	81,871.0	107,908.0	97,117.2	86,326.4	75,535.6	64,744.8	53,954.0	43,163.2	32,372.4	21,581.6	10,790.8	
Total	852,186.0	878,223.0	790,399.8	702,577.6	614,755.4	526,933.2	439,111.0	351,288.8	263,466.6	175,644.4	87,822.2	
G. EQUITY												
Share Capital												
Retained Earnings				15,573.3	9,268.5	12,347.0	26,420.6	49,877.5	82,717.5	124,940.7	166,225.8	264,024.7
Total				15,573.3	9,268.5	12,347.0	26,420.6	49,877.5	82,717.5	124,940.7	166,225.8	264,024.7
H. TOTAL LIABILITIES & EQUITY	852,186.0	878,223.0	790,399.8	718,150.9	624,023.9	539,280.2	465,531.6	401,166.3	346,184.1	300,585.1	254,048.0	264,024.7

Table 48-2 Proforma Balance Sheet (Case 5-2)

Raw Material Cost 10% down

Loan/Capital=80/20

Unit: NRs' 000

ITEM/YEAR	0	1	2	3	4	5	6	7	8	9	10	11
A. CURRENT ASSETS												
Cash		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Receivables		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Inventories		23,027.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0
Total		26,037.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0
B. CASH SURPLUS		21,609.3	72,529.1	144,561.1	160,104.0	183,227.0	213,929.9	252,212.9	298,075.9	351,518.9	401,245.9	436,911.1
C. FIXED ASSETS												
Building	150,032.0	142,519.0	135,018.0	127,517.0	120,016.0	112,515.0	105,014.0	97,513.0	90,012.0	82,511.0	75,010.0	67,509.0
Plant & Machinery	573,211.0	515,889.0	458,568.0	401,247.0	343,926.0	286,605.0	229,284.0	171,963.0	114,642.0	57,321.0		
Vehicles & Furnitures	8,063.0	6,448.0	4,836.0	3,224.0	1,612.0							
Total	731,306.0	664,856.0	598,422.0	531,988.0	465,554.0	399,120.0	334,298.0	269,476.0	204,654.0	139,832.0	75,010.0	67,509.0
D. DIFERRED ASSETS												
Deficit		55,213.7										
Interest d. Construction	103,703.0	93,330.0	82,960.0	72,590.0	62,220.0	51,850.0	41,480.0	31,110.0	20,740.0	10,370.0		
Total	103,703.0	148,543.7	82,960.0	72,590.0	62,220.0	51,850.0	41,480.0	31,110.0	20,740.0	10,370.0		
E. TOTAL ASSETS	835,009.0	861,046.0	796,634.1	791,862.1	730,601.0	676,920.0	632,430.9	595,521.9	566,192.9	544,443.9	518,978.9	547,143.1
F. LONG TERM DEBT												
Foreign Loan	598,583.0	598,583.0	538,723.8	478,865.6	419,007.4	359,149.2	299,291.0	239,432.8	179,574.6	119,716.4	59,858.2	
Local Loan	81,871.0	107,908.0	97,117.2	86,326.4	75,535.6	64,744.8	53,954.0	43,163.2	32,372.4	21,581.6	10,790.8	
Total	680,454.0	706,491.0	635,841.0	565,192.0	494,543.0	423,894.0	353,245.0	282,596.0	211,947.0	141,298.0	70,649.0	
G. EQUITY												
Share Capital	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0
Retained Earnings			6,238.1	72,115.1	81,503.0	98,471.0	124,630.9	158,370.9	199,690.9	248,590.9	293,774.9	392,588.1
Total	154,555.0	154,555.0	160,793.1	226,670.1	236,058.0	253,026.0	279,185.9	312,925.9	354,245.9	403,145.9	448,329.9	547,143.1
H. TOTAL LIABILITIES & EQUITY	835,009.0	861,046.0	796,634.1	791,862.1	730,601.0	676,920.0	632,430.9	595,521.9	566,192.9	544,443.9	518,978.9	547,143.1

Table 49 Proforma Balance Sheet (Case 6-2)

Raw Material Cost 10% up
Loan/Capital=80/20

Unit: NRs' 000

ITEM/YEAR	0	1	2	3	4	5	6	7	8	9	10	11
A. CURRENT ASSETS												
Cash		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Receivables		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Inventories		23,027.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0
Total		26,037.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0
B. CASH SURPLUS		15,415.3	55,241.1	116,179.1	120,628.0	132,657.0	152,265.9	179,454.9	214,223.9	256,572.9	299,694.0	327,038.7
C. FIXED ASSETS												
Building	150,032.0	142,519.0	135,018.0	127,517.0	120,016.0	112,515.0	105,014.0	97,513.0	90,012.0	82,511.0	75,010.0	67,509.0
Plant & Machinery	573,211.0	515,889.0	458,568.0	401,247.0	343,926.0	286,605.0	229,284.0	171,963.0	114,642.0	57,321.0		
Vehicles & Furnitures	8,063.0	6,448.0	4,836.0	3,224.0	1,612.0							
Total	731,306.0	664,856.0	598,422.0	531,988.0	465,554.0	399,120.0	334,298.0	269,476.0	204,654.0	139,832.0	75,010.0	67,509.0
D. DIFERRED ASSETS												
Deficit		61,407.7	11,049.9									
Interest d. Construction	103,703.0	93,330.0	82,960.0	72,590.0	62,220.0	51,850.0	41,480.0	31,110.0	20,740.0	10,370.0		
Total	103,703.0	154,737.7	94,009.9	72,590.0	62,220.0	51,850.0	41,480.0	31,110.0	20,740.0	10,370.0		
E. TOTAL ASSETS	835,009.0	861,046.0	790,396.0	763,480.1	691,125.0	626,350.0	570,766.9	522,763.9	482,340.9	449,497.9	417,427.0	437,270.7
F. LONG TERM DEBT												
Foreign Loan	598,583.0	598,583.0	538,723.8	478,865.6	419,007.4	359,149.2	299,291.0	239,432.8	179,574.6	119,716.4	59,858.2	
Local Loan	81,871.0	107,908.0	97,117.2	86,326.4	75,535.6	64,744.8	53,954.0	43,163.2	32,372.4	21,581.6	10,790.8	
Total	680,454.0	706,491.0	635,841.0	565,192.0	494,543.0	423,894.0	353,245.0	282,596.0	211,947.0	141,298.0	70,649.0	
G. EQUITY												
Share Capital	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0
Retained Earnings				43,733.1	42,027.0	47,901.0	62,966.9	85,612.9	115,838.9	153,644.9	192,223.0	282,715.7
Total	154,555.0	154,555.0	154,555.0	198,288.1	196,582.0	202,456.0	217,521.9	240,167.9	270,393.9	308,199.9	346,778.0	437,270.7
H. TOTAL LIABILITIES & EQUITY	835,009.0	861,046.0	790,396.0	763,480.1	691,125.0	626,350.0	570,766.9	522,763.9	482,340.9	449,497.9	417,427.0	437,270.7

Table 50-1 Proforma Balance Sheet (Case 7-1)

Interest 1.5% down
Loan/Capital=100/0

Unit: NRs' 000

ITEM/YEAR	0	1	2	3	4	5	6	7	8	9	10	11
A. CURRENT ASSETS												
Cash		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Receivables		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Inventories		23,027.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0
Total		26,037.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0
B. CASH SURPLUS		13,463.4	38,324.0	84,805.8	75,303.3	73,885.7	80,552.9	95,305.1	118,142.1	149,064.0	180,582.8	196,218.0
C. FIXED ASSETS												
Building	150,032.0	142,519.0	135,018.0	127,517.0	120,016.0	112,515.0	105,014.0	97,513.0	90,012.0	82,511.0	75,010.0	67,509.0
Plant & Machinery	573,211.0	515,889.0	458,568.0	401,247.0	343,926.0	286,605.0	229,284.0	171,963.0	114,642.0	57,321.0		
Vehicles & Furnitures	8,063.0	6,448.0	4,836.0	3,224.0	1,612.0							
Total	731,306.0	664,856.0	598,422.0	531,988.0	465,554.0	399,120.0	334,298.0	269,476.0	204,654.0	139,832.0	75,010.0	67,509.0
D. DIFERRED ASSETS												
Deficit		63,487.6	12,636.2									
Interest d. Construction	105,010.0	94,509.0	84,008.0	73,507.0	63,006.0	52,505.0	42,004.0	31,503.0	20,002.0	10,501.0		
Total	105,010.0	157,996.6	96,644.2	73,507.0	63,006.0	52,505.0	42,004.0	31,503.0	21,002.0	10,501.0		
E. TOTAL ASSETS	836,316.0	862,353.0	776,113.2	733,023.8	646,586.3	568,233.7	499,577.9	439,007.1	386,521.1	342,120.0	298,315.8	306,450.0
F. LONG TERM DEBT												
Foreign Loan	754,445.0	754,445.0	678,996.0	603,552.0	528,108.0	452,664.0	377,220.0	301,776.0	226,332.0	150,888.0	75,444.0	
Local Loan	81,871.0	107,908.0	97,117.2	86,326.4	75,535.6	64,744.8	53,954.0	43,163.2	32,372.4	21,581.6	10,790.8	
Total	836,316.0	862,353.0	776,113.2	689,878.4	603,643.6	517,408.8	431,174.0	344,939.2	258,704.4	172,469.6	86,234.8	
G. EQUITY												
Share Capital												
Retained Earnings				43,145.4	42,942.7	50,824.9	68,403.9	94,067.9	127,816.7	169,650.4	212,081.0	306,450.0
Total				43,145.4	42,942.7	50,824.9	68,403.9	94,067.9	127,816.7	169,650.4	212,081.0	306,450.0
H. TOTAL LIABILITIES & EQUITY	836,316.0	862,353.0	776,113.2	733,023.8	646,586.3	568,233.7	499,577.9	439,007.1	386,521.1	342,120.0	298,315.8	306,450.0

Table 50-2 Proforma Balance Sheet (Case 7-2)

Interest 1.5% down
Loan/Capital=80/20

Unit: NRs' 000

ITEM/YEAR	-2/1	1	2	3	4	5	6	7	8	9	10	11
A. CURRENT ASSETS												
Cash		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Receivables		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Inventories		23,027.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0
Total		26,037.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0
B. CASH SURPLUS		29,307.6	87,225.9	165,174.8	185,555.1	212,436.0	245,817.3	285,699.2	332,081.5	384,964.4	433,379.7	467,510.1
C. FIXED ASSETS												
Building	150,032.0	142,519.0	135,018.0	127,517.0	120,016.0	112,515.0	105,014.0	97,513.0	90,012.0	82,511.0	75,010.0	67,509.0
Plant & Machinery	573,211.0	515,889.0	458,568.0	401,247.0	343,926.0	286,605.0	229,284.0	171,963.0	114,642.0	57,321.0		
Vehicles & Furnitures	8,063.0	6,448.0	4,836.0	3,224.0	1,612.0							
Total	731,306.0	664,856.0	598,422.0	531,988.0	465,554.0	399,120.0	334,298.0	269,476.0	204,654.0	139,832.0	75,010.0	67,509.0
D. DIFERRED ASSETS												
Deficit		45,493.4										
Interest d. Construction	83,519.0	75,168.0	66,816.0	58,464.0	50,112.0	41,760.0	33,408.0	25,056.0	16,704.0	8,352.0		
Total	83,519.0	120,661.4	66,816.0	58,464.0	50,112.0	41,760.0	33,408.0	25,056.0	16,704.0	8,352.0		
E. TOTAL ASSETS	814,825.0	840,862.0	795,186.9	798,349.8	743,944.1	696,039.0	656,246.3	622,954.2	596,162.5	575,871.4	551,112.7	577,742.1
F. LONG TERM DEBT												
Foreign Loan	578,399.0	578,399.0	520,560.0	462,720.0	404,880.0	347,040.0	289,200.0	231,360.0	173,520.0	115,680.0	57,840.0	
Local Loan	81,871.0	107,908.0	97,117.2	86,326.4	75,535.6	64,744.8	53,954.0	43,163.2	32,372.4	21,581.6	10,790.8	
Total	660,270.0	686,307.0	617,677.2	549,046.4	480,415.6	411,784.8	343,154.0	274,523.2	205,892.4	137,261.6	68,630.8	
G. EQUITY												
Share Capital	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0
Retained Earnings			22,954.7	94,748.4	108,973.5	129,699.2	158,537.3	193,876.0	235,715.1	284,054.8	327,926.9	423,187.1
Total	154,555.0	154,555.0	177,509.7	249,303.4	263,528.5	284,254.2	313,092.3	348,431.0	390,270.1	438,609.8	482,481.9	577,742.1
H. TOTAL LIABILITIES & EQUITY	814,825.0	840,862.0	795,186.9	798,349.8	743,944.1	696,039.0	656,246.3	622,954.2	596,162.5	575,871.4	551,112.7	577,742.1

Table 51 Proforma Balance Sheet (Case 8-2)

Interest 1.5% up
Loan/Capital=80/20

Unit: NRs' 000

ITEM/YEAR	0	1	2	3	4	5	6	7	8	9	10	11
A. CURRENT ASSETS												
Cash		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Receivables		1,505.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0	3,048.0
Inventories		23,027.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0	36,627.0
Total		26,037.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0	42,723.0
B. CASH SURPLUS		9,021.7	44,708.8	102,464.5	104,680.1	115,424.7	134,698.3	162,500.9	198,832.4	243,693.0	289,755.6	320,301.0
C. FIXED ASSETS												
Building	150,032.0	142,519.0	135,018.0	127,517.0	120,016.0	112,515.0	105,014.0	97,513.0	90,012.0	82,511.0	75,010.0	67,509.0
Plant & Machinery	573,211.0	515,889.0	458,568.0	401,247.0	343,926.0	286,605.0	229,284.0	171,963.0	114,642.0	57,321.0		
Vehicles & Furnitures	8,063.0	6,448.0	4,836.0	3,224.0	1,612.0							
Total	731,306.0	664,856.0	598,422.0	531,988.0	465,554.0	399,120.0	334,298.0	269,476.0	204,654.0	139,832.0	75,010.0	67,509.0
D. DIFERRED ASSETS												
Deficit		68,223.3	21,998.4									
Interest d. Construction	107,968.0	97,173.0	86,376.0	75,579.0	64,782.0	53,985.0	43,188.0	32,391.0	21,594.0	10,797.0		
Total	107,968.0	165,396.3	108,374.4	75,579.0	64,782.0	53,985.0	43,188.0	32,391.0	21,594.0	10,797.0		
E. TOTAL ASSETS	839,274.0	865,311.0	794,228.2	752,754.5	677,739.1	611,252.7	554,907.3	507,090.0	467,803.4	437,045.0	407,488.6	430,533.0
F. LONG TERM DEBT												
Foreign Loan	602,848.0	602,848.0	542,556.0	482,272.0	421,988.0	361,704.0	301,420.0	241,136.0	180,852.0	120,568.0	60,284.0	
Local Loan	81,871.0	107,908.0	97,117.2	86,326.4	75,535.6	64,744.8	53,954.0	43,163.2	32,372.4	21,581.6	10,790.8	
Total	684,719.0	710,756.0	639,673.2	568,598.4	497,523.6	426,448.8	355,374.0	284,299.2	213,224.4	142,149.6	71,074.8	
G. EQUITY												
Share Capital	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0	154,555.0
Retained Earnings				29,601.1	25,660.5	30,248.9	44,978.3	68,236.7	100,024.0	140,340.4	181,858.8	275,978.0
Total	154,555.0	154,555.0	154,555.0	184,156.1	180,215.5	184,803.9	199,533.3	222,791.7	254,579.0	294,895.4	336,413.8	430,533.0
H. TOTAL LIABILITIES & EQUITY	839,274.0	865,311.0	794,228.2	752,754.5	677,739.1	611,252.7	554,907.3	507,090.9	467,803.4	437,045.0	407,488.6	430,533.0

Table 52-1 Proforma Fund Statement (Case 3-1)

Sales Revenue 10% up

Loan/Capital=100/0

Unit: NRs' 000

	-2/1	1	2	3	4	5	6	7	8	9	10	11
<u>SOURCES</u>												
Profit before Interest		30,684.0	164,667.0	161,512.0	91,243.0	91,243.0	92,855.0	92,855.0	92,855.0	92,855.0	92,855.0	162,264.0
Depreciation and Amortization		78,538.0	78,522.0	78,522.0	78,522.0	78,522.0	76,910.0	76,910.0	76,910.0	76,910.0	76,910.0	7,501.0
Share Capital												
Loans	852,186.0	26,037.0										
Working Capital												
Total Sources	852,186.0	135,259.0	243,189.0	240,034.0	169,765.0	169,765.0	169,765.0	169,765.0	169,765.0	169,765.0	169,765.0	169,765.0
<u>APPLICATIONS</u>												
Fixed Capital	731,306.0											
Working Capital		26,037.0	16,686.0									
Repayment of Principal			87,823.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2
Interest		90,707.6	91,486.2	82,102.9	72,719.8	63,336.5	53,953.4	44,570.1	35,187.0	25,803.8	16,420.6	7,037.5
Interest during Construction	120,880.0											
Income Tax											15,286.9	38,806.6
Total Applications	852,186.0	116,744.6	195,995.4	169,925.1	160,542.0	151,158.7	141,775.6	132,392.3	123,009.2	113,626.0	119,529.7	133,666.3
Net Cash Inflow	0	18,514.4	47,193.6	70,108.9	9,223.0	18,606.3	27,989.4	37,372.7	46,755.8	56,139.0	50,235.3	36,098.7
Accumulated Reserves	0	18,514.4	65,708.0	135,816.9	145,039.9	163,646.2	191,635.6	229,008.3	275,764.1	331,903.1	382,138.4	418,237.1

Table 52-2 Proforma Fund Statement (Case 3-2)

Sales Revenue 10% up
Loan/Capital=80/20

Unit: NRs' 000

	-2/1	1	2	3	4	5	6	7	8	9	10	11
SOURCES												
Profit before Interest		32,399.0	166,385.0	163,230.0	92,961.0	92,961.0	94,573.0	94,573.0	94,573.0	94,573.0	94,573.0	162,264.0
Depreciation and Amortization		76,823.0	76,804.0	76,804.0	76,804.0	76,804.0	75,192.0	75,192.0	75,192.0	75,192.0	75,192.0	7,501.0
Share Capital	154,555.0											
Loans	680,454.0	26,037.0										
Working Capital												
Total Sources	835,009.0	135,259.0	243,189.0	240,034.0	169,765.0	169,765.0	169,765.0	169,765.0	169,765.0	169,765.0	169,765.0	169,765.0
APPLICATIONS												
Fixed Capital	731,306.0											
Working Capital		26,037.0	16,686.0									
Repayment of Principal			70,650.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0
Interest		72,675.7	73,905.2	66,325.0	58,745.1	51,165.0	43,585.1	36,005.0	28,425.0	20,845.0	13,265.0	5,685.1
Interest during Construction	103,703.0											
Income Tax											16,261.6	39,144.7
Total Applications	835,009.0	98,712.7	161,241.2	136,974.0	129,394.1	121,814.0	114,234.1	106,654.0	99,074.0	91,494.0	100,175.6	115,478.8
Net Cash Inflow	0	36,546.3	81,947.8	103,060.0	40,370.9	47,951.0	55,530.9	63,111.0	70,691.0	78,271.0	69,589.4	54,286.2
Accumulated Reserves	0	36,546.3	118,494.1	221,554.1	261,925.0	309,876.0	365,406.9	428,517.9	499,208.9	577,479.9	647,069.3	701,355.5

Table 53-1 Proforma Fund Statement (Case 4-1)

Sales Revenue 10% down

Loan/Capital=100/0

Unit: NRs' 000

	-2/1	1	2	3	4	5	6	7	8	9	10	11
<u>SOURCES</u>												
Profit before Interest		-5,384.0	91,517.0	88,362.0	30,493.0	30,493.0	32,105.0	32,105.0	32,105.0	32,105.0	32,105.0	101,514.0
Depreciation and Amortization		78,538.0	78,522.0	78,522.0	78,522.0	78,522.0	76,910.0	76,910.0	76,910.0	76,910.0	76,910.0	7,501.0
Share Capital												
Loans	852,186.0	26,037.0										
Working Capital												
Total Sources	852,186.0	99,191.0	170,039.0	166,884.0	109,015.0	109,015.0	109,015.0	109,015.0	109,015.0	109,015.0	109,015.0	109,015.0
<u>APPLICATIONS</u>												
Fixed Capital	731,306.0											
Working Capital		26,037.0	16,686.0									
Repayment of Principal			87,823.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2
Interest		90,707.6	91,486.2	82,102.9	72,719.8	63,336.5	53,953.4	44,570.1	35,187.0	25,803.8	16,420.6	7,037.5
Interest during Construction	120,880.0											
Income Tax											2,352.7	18,895.3
Total Applications	852,186.0	116,744.6	195,995.4	169,925.1	160,542.0	151,158.7	141,775.6	132,392.3	123,009.2	113,626.0	106,595.5	113,755.0
Net Cash Inflow	0	-17,553.6	-25,956.4	-3,041.1	-51,527.0	-42,143.7	-32,760.6	-23,377.3	-13,994.2	-4,611.0	2,419.5	-4,740.0
Accumulated Reserves	0	-17,553.6	-43,510.0	-46,551.1	-98,078.1	-140,221.8	-172,982.4	-196,359.7	-210,353.9	-214,964.9	-212,545.4	-217,285.4

Table 53-2 Proforma Fund Statement (Case 4-2)

Sales Revenue 10% down
Loan/Capital=80/20

Unit: NRs' 000

	-2/1	-1	2	3	4	5	6	7	8	9	10	11
<u>SOURCES</u>												
Profit before Interest		-3,669.0	93,235.0	90,080.0	32,211.0	32,211.0	33,823.0	33,823.0	33,823.0	33,823.0	33,823.0	101,514.0
Depreciation and Amortization		76,823.0	76,804.0	76,804.0	76,804.0	76,804.0	75,192.0	75,192.0	75,192.0	75,192.0	75,192.0	7,501.0
Share Capital	154,555.0											
Loans	680,454.0	26,037.0										
Working Capital												
Total Sources	835,009.0	99,191.0	170,039.0	166,884.0	109,015.0	109,015.0	109,015.0	109,015.0	109,015.0	109,015.0	109,015.0	109,015.0
<u>APPLICATIONS</u>												
Fixed Capital	731,306.0											
Working Capital		26,037.0	16,686.0									
Repayment of Principal			70,650.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0
Interest		72,675.7	73,905.2	66,325.0	58,745.1	51,165.0	43,585.1	36,005.0	28,425.0	20,845.0	13,265.0	5,685.1
Interest during Construction	103,703.0											
Income Tax											3,083.7	19,165.8
Total Applications	835,009.0	98,712.7	161,241.2	136,974.0	129,394.1	121,814.0	114,234.1	106,654.0	99,074.0	91,494.0	86,997.7	95,499.9
Net Cash Inflow	0	478.3	8,797.8	29,910.0	-20,379.1	-12,799.0	-5,219.1	2,361.0	9,941.0	17,521.0	22,017.3	13,515.1
Accumulated Reserves	0	478.3	9,276.1	39,186.1	18,807.0	6,008.0	788.9	3,149.9	13,090.9	30,611.9	52,629.2	66,144.3

Table 54-1 Proforma Fund Statement (Case 5-1)

Raw Material Cost 10% down

Loan/Capital=100/0

Unit: NRs' 000

	-2/1	1	2	3	4	5	6	7	8	9	10	11
SOURCES												
Profit before Interest		15,747.0	133,639.0	130,484.0	66,415.0	66,415.0	68,027.0	68,027.0	68,027.0	68,027.0	68,027.0	137,436.0
Depreciation and Amortization		78,538.0	78,522.0	78,522.0	78,522.0	78,522.0	76,910.0	76,910.0	76,910.0	76,910.0	76,910.0	7,501.0
Share Capital												
Loans	852,186.0	26,037.0										
Working Capital												
Total Sources	852,186.0	120,322.0	212,161.0	209,006.0	144,937.0	144,937.0	144,937.0	144,937.0	144,937.0	144,937.0	144,937.0	144,937.0
APPLICATIONS												
Fixed Capital	731,306.0											
Working Capital		26,037.0	16,686.0									
Repayment of Principal			87,823.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2
Interest		90,707.6	91,486.2	82,102.9	72,719.8	63,336.5	53,953.4	44,570.1	35,187.0	25,803.8	16,420.6	7,037.5
Interest during Construction	120,880.0											
Income Tax											10,321.3	32,599.6
Total Applications	852,186.0	116,744.6	195,995.4	169,925.1	160,542.0	151,158.7	141,775.6	132,392.3	123,009.2	113,626.0	114,564.1	127,459.3
Net Cash Inflow	0	3,577.4	16,165.6	39,080.9	-15,605.0	-6,221.7	3,161.4	12,544.7	21,927.8	31,311.0	30,372.9	17,477.7
Accumulated Reserves	0	3,577.4	19,743.0	58,823.9	43,218.9	36,997.2	40,158.6	52,703.3	74,631.1	105,942.1	136,315.0	153,792.7

Table 54-2 Proforma Fund Statement (Case 5-2)

Raw Material Cost 10% down
 Loan/Capital=80/20

Unit: NRs' 000

	-2/1	1	2	3	4	5	6	7	8	9	10	11
SOURCES												
Profit before Interest		17,462.0	135,357.0	132,202.0	68,133.0	68,133.0	69,745.0	69,745.0	69,745.0	69,745.0	69,745.0	137,436.0
Depreciation and Amortization		76,823.0	76,804.0	76,804.0	76,804.0	76,804.0	75,192.0	75,192.0	75,192.0	75,192.0	75,192.0	7,501.0
Share Capital	154,555.0											
Loans	680,454.0	26,037.0										
Working Capital												
Total Sources	835,009.0	120,322.0	212,161.0	209,006.0	144,937.0	144,937.0	144,937.0	144,937.0	144,937.0	144,937.0	144,937.0	144,937.0
APPLICATIONS												
Fixed Capital	731,306.0											
Working Capital		26,037.0	16,686.0									
Repayment of Principal			70,650.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0
Interest		72,675.7	73,905.2	66,325.0	58,745.1	51,165.0	43,585.1	36,005.0	28,425.0	20,845.0	13,265.0	5,685.1
Interest during Construction	103,703.0											
Income Tax											11,296.0	32,937.7
Total Applications	835,009.0	98,712.7	161,241.2	136,974.0	129,394.1	121,814.0	114,234.1	106,654.0	99,074.0	91,494.0	95,210.0	109,271.8
Net Cash Inflow	0	21,609.3	50,919.8	72,032.0	15,542.9	23,123.0	30,702.9	38,283.0	45,863.0	53,443.0	49,727.0	35,665.2
Accumulated Reserves	0	21,609.3	72,529.1	144,561.1	160,104.0	183,227.0	213,929.9	252,212.9	298,075.9	351,518.9	401,245.9	436,911.1

Table 55-1 Proforma Fund Statement (Case 6-1)

Raw Material Cost 10% up
Loan/Capital=100/0

Unit: NRs' 000

	-2/1	1	2	3	4	5	6	7	8	9	10	11
SOURCES												
Profit before Interest		9,553.0	122,545.0	119,390.0	55,321.0	55,321.0	56,933.0	56,933.0	56,933.0	56,933.0	56,933.0	126,342.0
Depreciation and Amortization		78,538.0	78,522.0	78,522.0	78,522.0	78,522.0	76,910.0	76,910.0	76,910.0	76,910.0	76,910.0	7,501.0
Share Capital												
Loans	852,186.0	26,037.0										
Working Capital												
Total Sources	852,186.0	114,128.0	201,067.0	197,912.0	133,843.0	133,843.0	133,843.0	133,843.0	133,843.0	133,843.0	133,843.0	133,843.0
APPLICATIONS												
Fixed Capital	731,306.0											
Working Capital		26,037.0	16,686.0									
Repayment of Principal			87,823.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2	87,822.2
Interest		90,707.6	91,486.2	82,102.9	72,719.8	63,336.5	53,953.4	44,570.1	35,187.0	25,803.8	16,420.6	7,037.5
Interest during Construction	120,880.0											
Income Tax											6,076.9	29,826.1
Total Applications	852,186.0	116,744.6	195,995.4	169,925.1	160,542.0	151,158.7	141,775.6	132,392.3	123,009.2	113,626.0	110,319.7	124,685.8
Net Cash Inflow	0	-2,616.6	5,071.6	27,986.9	-26,699.0	-17,315.7	-7,932.6	1,450.7	10,833.8	20,217.0	23,523.3	9,157.2
Accumulated Reserves	0	-2,616.6	2,455.0	30,441.9	3,742.9	-13,572.8	-21,505.4	-20,054.7	-9,220.9	10,996.1	34,519.4	43,676.6

Table 55-2 Proforma Fund Statement (Case 6-2)

Raw Material Cost 10% up
Loan/Capital=80/20

Unit: NRs' 000

	-2/1	1	2	3	4	5	6	7	8	9	10	11
SOURCES												
Profit before Interest		11,268.0	124,263.0	121,108.0	57,039.0	57,039.0	58,651.0	58,651.0	58,651.0	58,651.0	58,651.0	126,342.0
Depreciation and Amortization		76,823.0	76,804.0	76,804.0	76,804.0	76,804.0	75,192.0	75,192.0	75,192.0	75,192.0	75,192.0	7,501.0
Share Capital	154,555.0											
Loans	680,454.0	26,037.0										
Working Capital												
Total Sources	835,009.0	114,128.0	201,067.0	197,912.0	133,843.0	133,843.0	133,843.0	133,843.0	133,843.0	133,843.0	133,843.0	133,843.0
APPLICATIONS												
Fixed Capital	731,306.0											
Working Capital		26,037.0	16,686.0									
Repayment of Principal			70,650.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0	70,649.0
Interest		72,675.7	73,905.2	66,325.0	58,745.1	51,165.0	43,585.1	36,005.0	28,425.0	20,845.0	13,265.0	5,685.1
Interest during Construction	103,703.0											
Income Tax											6,807.9	30,164.2
Total Applications	835,009.0	98,712.7	161,241.2	136,974.0	129,394.1	121,814.0	114,234.1	106,654.0	99,074.0	91,494.0	90,721.9	106,498.3
Net Cash Inflow	0	15,415.3	39,825.8	60,938.0	4,448.9	12,029.0	19,608.9	27,189.0	34,769.0	42,349.0	43,121.1	27,344.7
Accumulated Reserves	0	15,415.3	55,241.1	116,179.1	120,628.0	132,657.0	152,265.9	179,454.9	214,223.9	256,572.9	299,694.0	327,038.7

Table 56-1 Proforma Fund Statement (Case 7-1)

Interest 1.5% down
Loan/Capital=100/0

Unit: NRs' 000

	-2/1	1	2	3	4	5	6	7	8	9	10	11
SOURCES												
Profit before Interest		14,237.0	129,679.0	126,524.0	62,455.0	62,455.0	64,067.0	64,067.0	64,067.0	64,067.0	64,067.0	131,889
Depreciation and Amortization		76,951.0	76,935.0	76,935.0	76,935.0	76,935.0	75,323.0	75,323.0	75,323.0	75,323.0	75,323.0	7,501.0
Share Capital												
Loans	836,316.0											
Working Capital		26,037.0										
Total Sources	836,316.0	117,225.0	206,614.0	203,459.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0
APPLICATIONS												
Fixed Capital	731,306.0											
Working Capital		26,037.0	16,686.0									
Repayment of Principal			86,239.8	86,234.8	86,234.8	86,234.8	86,234.8	86,234.8	86,234.8	86,234.8	86,234.8	86,234.8
Interest		77,724.6	78,827.6	70,742.4	62,657.7	54,572.8	46,488.0	38,403.0	30,318.2	22,233.3	14,148.6	6,063.7
Interest during Construction	105,010.0											
Income Tax											7,487.8	31,456.3
Total Applications	836,316.0	103,761.6	181,753.4	156,977.2	148,892.5	140,807.6	132,722.8	124,637.8	116,553.0	108,468.1	107,871.2	123,754.8
Net Cash Inflow	0	13,463.4	24,860.6	46,481.8	-9,502.5	-1,417.6	6,667.2	14,752.2	22,837.0	30,921.9	31,518.8	15,635.2
Accumulated Reserves	0	13,463.4	38,324.0	84,805.8	75,303.3	73,885.7	80,552.9	95,305.1	118,142.1	149,064.0	180,582.8	196,218.0

Table 56-2 Proforma Fund Statement (Case 7-2)

Interest 1.5% down
Loan/Capital=80/20

Unit: NRs' 000

	-2/1	1	2	3	4	5	6	7	8	9	10	11
<u>SOURCES</u>												
Profit before Interest		16,387.0	131,828.0	128,673.0	64,604.0	64,604.0	66,216.0	66,216.0	66,216.0	66,216.0	66,216.0	131,889.0
Depreciation and Amortization		74,801.0	74,786.0	74,786.0	74,786.0	74,786.0	73,174.0	73,174.0	73,174.0	73,174.0	73,174.0	7,501.0
Share Capital	154,555.0											
Loans	660,270.0											
Working Capital		26,037.0										
Total Sources	814,825.0	117,225.0	206,614.0	203,459.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0
<u>APPLICATIONS</u>												
Fixed Capital	731,306.0											
Working Capital		26,037.0	16,686.0									
Repayment of Principal			68,629.8	68,630.8	68,630.8	68,630.8	68,630.8	68,630.8	68,630.8	68,630.8	68,630.8	68,630.8
Interest		61,880.4	63,379.9	56,879.3	50,378.9	43,878.3	37,377.9	30,877.3	24,376.9	17,876.3	11,375.9	4,875.4
Interest during Construction	83,519.0											
Income Tax											10,968.0	31,753.4
Total Applications	814,825.0	87,917.4	148,695.7	125,510.1	119,009.7	112,509.1	106,008.7	99,508.1	93,007.7	86,507.1	90,974.7	105,259.6
Net Cash Inflow	0	29,307.6	57,918.3	77,948.9	20,380.3	26,880.9	33,381.3	39,881.9	46,382.3	52,882.9	48,415.3	34,130.4
Accumulated Reserves	0	29,307.6	87,225.9	165,174.8	185,555.1	212,436.0	245,817.3	285,699.2	332,081.5	384,964.4	433,379.7	467,510.1

Table 57-1 Proforma Fund Statement (Case 8-1)

Interest 1.5% up

Loan/Capital=100/0

Unit: NRs' 000

	-2/1	1	2	3	4	5	6	7	8	9	10	11
<u>SOURCES</u>												
Profit before Interest		11,047.0	126,490.0	123,335.0	59,266.0	59,266.0	60,878.0	60,878.0	60,878.0	60,878.0	60,878.0	131,889
Depreciation and Amortization		80,141.0	80,124.0	80,124.0	80,124.0	80,124.0	78,512.0	78,512.0	78,512.0	78,512.0	78,512.0	7,501.0
Share Capital												
Loans	868,207.0											
Working Capital		26,037.0										
Total Sources	868,207.0	117,225.0	206,614.0	203,459.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0
<u>APPLICATIONS</u>												
Fixed Capital	731,306.0											
Working Capital		26,037.0	16,686.0									
Repayment of Principal			89,420.8	89,424.8	89,424.8	89,424.8	89,424.8	89,424.8	89,424.8	89,424.8	89,424.8	89,424.8
Interest		104,184.8	104,626.9	93,896.0	83,165.1	72,434.1	61,703.1	50,972.1	40,241.2	29,510.1	18,779.3	8,048.2
Interest during Construction	136,901.0											
Income Tax											6,314.8	30,960.2
Total Applications	868,207.0	130,221.8	210,733.7	183,320.8	172,589.9	161,858.9	151,127.9	140,396.9	129,666.0	118,934.9	114,518.9	128,433.2
Net Cash Inflow	0	-12,996.8	-4,119.7	20,138.2	-33,199.9	-22,468.9	-11,737.9	-1,006.9	9,724.0	20,455.1	24,871.1	10,956.8
Accumulated Reserves	0	-12,996.8	-17,116.5	3,021.7	-30,178.2	-52,647.1	-64,385.0	-65,391.9	-55,667.9	-35,212.8	-10,341.7	615.1

Table 57-2 Proforma Fund Statement (Case 8-2)

Interest 1.5% up
Loan/Capital=80/20

Unit: NRs' 000

	-2/1	1	2	3	4	5	6	7	8	9	10	11
<u>SOURCES</u>												
Profit before Interest		13,943.0	129,383.0	126,228.0	62,159.0	62,159.0	63,771.0	63,771.0	63,771.0	63,771.0	63,771.0	131,889.0
Depreciation and Amortization		77,245.0	77,231.0	77,231.0	77,231.0	77,231.0	75,619.0	75,619.0	75,619.0	75,619.0	75,619.0	7,501.0
Share Capital	154,555.0											
Loans	684,719.0											
Working Capital		26,037.0										
Total Sources	839,274.0	117,225.0	206,614.0	203,459.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0	139,390.0
<u>APPLICATIONS</u>												
Fixed Capital	731,306.0											
Working Capital		26,037.0	16,686.0									
Repayment of Principal			71,082.8	71,074.8	71,074.8	71,074.8	71,074.8	71,074.8	71,074.8	71,074.8	71,074.8	71,074.8
Interest		82,166.3	83,158.1	74,628.5	66,099.6	57,570.6	49,041.6	40,512.6	31,983.7	23,454.6	14,925.8	6,396.7
Interest during Construction	107,968.0											
Income Tax											7,326.8	31,373.1
Total Applications	839,274.0	108,203.3	170,926.9	145,703.3	137,174.4	128,645.4	120,116.4	111,587.4	103,058.5	94,529.4	93,327.4	108,844.6
Net Cash Inflow	0	9,021.7	35,687.1	57,755.7	2,215.6	10,744.6	19,273.6	27,802.6	36,331.5	44,860.6	46,062.6	30,545.4
Accumulated Reserves	0	9,021.7	44,708.8	102,464.5	104,680.1	115,424.7	134,698.3	162,500.9	198,832.4	243,693.0	289,755.6	320,301.0

Table 58-1 Internal Rate of Return (Case 3-1)

YEAR	INVESTMENT	WORKING CAPITAL	INCOME BEFORE TAX	DEPRECIATION & AMORTIZATION	INTEREST	RECLAIMED WORKING CAPITAL	SALVAGE VALUE	NET CASH IN FLOW	DISCOUNT FACTOR	PRESENT VALUE OF NET CASH INFLOW
-2/1	852,186							-852,186	1.000000	-852,186
1		26,037	-60,023.6	78,538	90,707.6			83,185	0.854745	71,102
2		16,686	73,180.8	78,522	91,486.2			226,503	0.730588	165,480
3			79,409.1	78,522	82,102.9			240,034	0.624467	149,893
4			18,523.2	78,522	72,719.8			169,765	0.533760	90,614
5			27,906.5	78,522	63,336.5			169,765	0.456228	77,452
6			38,901.6	76,910	53,953.4			169,765	0.389959	66,201
7			48,284.9	76,910	44,570.1			169,765	0.333315	56,585
8			57,668.0	76,910	35,187.0			169,765	0.284899	48,366
9			67,051.2	76,910	25,803.8			169,765	0.243516	41,341
10			76,434.4	76,910	16,420.6			169,765	0.208144	35,336
11			155,226.5	7,501	7,037.5	42,723	67,509	279,997	0.177910	49,814

TOTAL = 0

INTERNAL RATE OF RETURN = 16.9940%

Table 58-2 Internal Rate of Return (Case 3-2)

YEAR	INVESTMENT	WORKING CAPITAL	INCOME BEFORE TAX	DEPRECIATION & AMORTIZATION	INTEREST	RECLAIMED WORKING CAPITAL	SALVAGE VALUE	NET CASH IN FLOW	DISCOUNT FACTOR	PRESENT VALUE OF NET CASH INFLOW
-2/1	835,009							-835,009	1.000000	-835,009
1		26,037	-40,276.7	76,823	72,675.7			83,185	0.851080	70,797
2		16,686	92,479.8	76,804	73,905.2			226,503	0.724338	164,065
3			96,905.0	76,804	66,325.0			240,034	0.616470	147,974
4			34,215.9	76,804	58,745.1			169,765	0.524666	89,070
5			41,796.0	76,804	51,165.0			169,765	0.446533	75,806
6			50,987.9	75,192	43,585.1			169,765	0.380035	64,517
7			58,568.0	75,192	36,005.0			169,765	0.323441	54,909
8			66,148.0	75,192	28,425.0			169,765	0.275274	46,732
9			73,728.0	75,192	20,845.0			169,765	0.234280	39,773
10			81,308.0	75,192	13,265.0			169,765	0.199391	33,850
11			156,578.9	7,501	5,685.1	42,723	67,509	279,997	0.169698	47,515

TOTAL = 0

INTERNAL RATE OF RETURN = 17.4977%

Table 59-1 Internal Rate of Return (Case 4-1)

YEAR	INVESTMENT	WORKING CAPITAL	INCOME BEFORE TAX	DEPRECIATION & AMORTIZATION	INTEREST	RECLAIMED WORKING CAPITAL	SALVAGE VALUE	NET CASH IN FLOW	DISCOUNT FACTOR	PRESENT VALUE OF NET CASH INFLOW
-2/1	852,186							-852,186	1.000000	-852,186
1		26,037	-96,091.6	78,538	90,707.6			47,117	0.925928	43,627
2		16,686	30.8	78,522	91,486.2			153,353	0.857344	131,476
3			6,259.1	78,522	82,102.9			166,884	0.793839	132,479
4			-42,226.8	78,522	72,719.8			109,015	0.735038	80,130
5			-32,843.5	78,522	63,336.5			109,015	0.680593	74,195
6			-21,848.4	76,910	53,953.4			109,015	0.630180	68,699
7			-12,465.1	76,910	44,570.1			109,015	0.583502	63,610
8			-3,082.0	76,910	35,187.0			109,015	0.540281	58,899
9			6,301.2	76,910	25,803.8			109,015	0.500261	54,536
10			15,684.4	76,910	16,420.6			109,015	0.463206	50,496
11			94,476.5	7,501	7,037.5	42,723	67,509	219,247	0.428896	94,034

TOTAL = 0

INTERNAL RATE OF RETURN = 7.9997%

Table 59-2 Internal Rate of Return (Case 4-2)

YEAR	INVESTMENT	WORKING CAPITAL	INCOME BEFORE TAX	DEPRECIATION & AMORTIZATION	INTEREST	RECLAIMED WORKING CAPITAL	SALVAGE VALUE	NET CASH IN FLOW	DISCOUNT FACTOR	PRESENT VALUE OF NET CASH INFLOW
-2/1	835,009							-835,009	1.000000	-835,009
1		26,037	-76,344.7	76,823	72,675.7			47,117	0.922544	43,468
2		16,686	19,329.8	76,804	73,905.2			153,353	0.851088	130,517
3			23,755.0	76,804	66,325.0			166,884	0.785166	131,032
4			-26,534.1	76,804	58,745.1			109,015	0.724350	78,965
5			-18,954.0	76,804	51,165.0			109,015	0.668245	72,849
6			-9,762.1	75,192	43,585.1			109,015	0.616485	67,206
7			-2,182.0	75,192	36,005.0			109,015	0.568735	62,001
8			5,398.0	75,192	28,425.0			109,015	0.524683	57,198
9			12,978.0	75,192	20,845.0			109,015	0.484043	52,768
10			20,558.0	75,192	13,265.0			109,015	0.446551	48,681
11			95,828.9	7,501	5,685.1	42,723	67,509	219,247	0.411963	90,322

TOTAL = 0

INTERNAL RATE OF RETURN = 8.3959%

Table 60-1 Internal Rate of Return (Case 5-1)

YEAR	INVESTMENT	WORKING CAPITAL	INCOME BEFORE TAX	DEPRECIATION & AMORTIZATION	INTEREST	RECLAIMED WORKING CAPITAL	SALVAGE VALUE	NET CASH IN FLOW	DISCOUNT FACTOR	PRESENT VALUE OF NET CASH INFLOW
-2/1	852,186							-852,186	1.000000	-852,186
1		26,037	-74,960.6	78,538	90,707.6			68,248	0.881536	60,163
2		16,686	42,152.8	78,522	91,486.2			195,475	0.777107	151,905
3			48,381.1	78,522	82,102.9			209,006	0.685048	143,179
4			-6,304.8	78,522	72,719.8			144,937	0.603895	87,527
5			3,078.5	78,522	63,336.5			144,937	0.532355	77,158
6			14,073.6	76,910	53,953.4			144,937	0.469290	68,018
7			23,456.9	76,910	44,570.1			144,937	0.413697	59,960
8			32,840.0	76,910	35,187.0			144,937	0.364689	52,857
9			42,223.2	76,910	25,803.8			144,937	0.321486	46,595
10			51,606.4	76,910	16,420.6			144,937	0.283402	41,075
11			130,398.5	7,501	7,037.5	42,723	67,509	255,169	0.249829	63,749

TOTAL = 0

INTERNAL RATE OF RETURN = 13.4383%

Table 60-2 Internal Rate of Return (Case 5-2)

YEAR	INVESTMENT	WORKING CAPITAL	INCOME BEFORE TAX	DEPRECIATION & AMORTIZATION	INTEREST	RECLAIMED WORKING CAPITAL	SALVAGE VALUE	NET CASH IN FLOW	DISCOUNT FACTOR	PRESENT VALUE OF NET CASH INFLOW
-2/1	835,009							-835,009	1.000000	-835,009
1		26,037	-55,213.7	76,823	72,675.7			68,248	0.877982	59,921
2		16,686	61,451.8	76,804	73,905.2			195,475	0.770853	150,683
3			65,877.0	76,804	66,325.0			209,006	0.676795	141,454
4			9,387.9	76,804	58,745.1			144,937	0.594214	86,124
5			16,968.0	76,804	51,165.0			144,937	0.521710	75,615
6			26,159.9	75,192	43,585.1			144,937	0.458052	66,389
7			33,740.0	75,192	36,005.0			144,937	0.402162	58,288
8			41,320.0	75,192	28,425.0			144,937	0.353091	51,176
9			48,900.0	75,192	20,845.0			144,937	0.310008	44,932
10			56,480.0	75,192	13,265.0			144,937	0.272181	39,449
11			131,750.9	7,501	5,685.1	42,723	67,509	255,169	0.238970	60,978

TOTAL = 0

INTERNAL RATE OF RETURN = 13.8975%

Table 61-1 Internal Rate of Return (Case 6-1)

YEAR	INVESTMENT	WORKING CAPITAL	INCOME BEFORE TAX	DEPRECIATION & AMORTIZATION	INTEREST	RECLAIMED WORKING CAPITAL	SALVAGE VALUE	NET CASH IN FLOW	DISCOUNT FACTOR	PRESENT VALUE OF NET CASH INFLOW
-2/1	852,186							-852,186	1.000000	-852,186
1		26,037	-81,154.6	78,538	90,707.6			62,054	0.893665	55,455
2		16,686	31,058.8	78,522	91,486.2			184,381	0.798636	147,253
3			37,287.1	78,522	82,102.9			197,912	0.713713	141,252
4			-17,398.8	78,522	72,719.8			133,843	0.637820	85,368
5			-8,015.5	78,522	63,336.5			133,843	0.569997	76,290
6			2,979.6	76,910	53,953.4			133,843	0.509386	68,178
7			12,362.9	76,910	44,570.1			133,843	0.455221	60,928
8			21,746.0	76,910	35,187.0			133,843	0.406815	54,449
9			31,129.2	76,910	25,803.8			133,843	0.363556	48,659
10			40,512.4	76,910	16,420.6			133,843	0.324897	43,485
11			119,304.5	7,501	7,037.5	42,723	67,509	244,075	0.290349	70,867

TOTAL = 0

INTERNAL RATE OF RETURN = 11.8988%

Table 61-2 Internal Rate of Return (Case 6-2)

YEAR	INVESTMENT	WORKING CAPITAL	INCOME BEFORE TAX	DEPRECIATION & AMORTIZATION	INTEREST	RECLAIMED WORKING CAPITAL	SALVAGE VALUE	NET CASH IN FLOW	DISCOUNT FACTOR	PRESENT VALUE OF NET CASH INFLOW
-2/1	835,009							-835,009	1.000000	-835,009
1		26,037	-61,407.7	76,823	72,675.7			62,054	0.890150	55,237
2		16,686	50,357.8	76,804	73,905.2			184,381	0.792367	146,097
3			54,783.0	76,804	66,325.0			197,912	0.705326	139,592
4			-1,706.1	76,804	58,745.1			133,843	0.627846	84,033
5			5,874.0	76,804	51,165.0			133,843	0.558877	74,802
6			15,065.9	75,192	43,585.1			133,843	0.497485	66,585
7			22,646.0	75,192	36,005.0			133,843	0.442836	59,271
8			30,226.0	75,192	28,425.0			133,843	0.394190	52,760
9			37,806.0	75,192	20,845.0			133,843	0.350889	46,964
10			45,386.0	75,192	13,265.0			133,843	0.312344	41,805
11			120,656.9	7,501	5,685.1	42,723	67,509	244,075	0.278033	67,861

TOTAL = 0

INTERNAL RATE OF RETURN = 12.3406%

Table 62-1 Internal Rate of Return (Case 7-1)

YEAR	INVRSTMENT	WORKING CAPITAL	INCOME BEFORE TAX	DEPRECIATION & AMORTIZATION	INTEREST	RECLAIMED WORKING CAPITAL	SALVAGE VALUE	NET CASH IN FLOW	DISCOUNT FACTOR	PRESENT VALUE OF NET CASH INFLOW
-2/1	836,316							-836,316	1.000000	-836,316
1		26,037	-63,487.6	76,951	77,724.6			65,151	0.884249	57,610
2		16,686	50,851.4	76,935	78,827.6			189,928	0.781897	148,504
3			55,781.6	76,935	70,742.4			203,459	0.691391	140,670
4			-202.7	76,935	62,657.7			139,390	0.611362	85,218
5			7,882.2	76,935	54,572.8			139,390	0.540596	75,354
6			17,579.0	75,323	46,488.0			139,390	0.478022	66,631
7			25,664.0	75,323	38,403.0			139,390	0.422691	58,919
8			33,748.8	75,323	30,318.2			139,390	0.373764	52,099
9			41,833.7	75,323	22,233.3			139,390	0.330500	46,068
10			49,918.4	75,323	14,148.6			139,390	0.292245	40,736
11			125,825.3	7,501	6,063.7	42,723	67,509	249,622	0.258417	64,507

TOTAL = 0

INTERNAL RATE OF RETURN = 13.0903%

Table 62-2 Internal Rate of Return (Case 7-2)

YEAR	INVESTMENT	WORKING CAPITAL	INCOME BEFORE TAX	DEPRECIATION & AMORTIZATION	INTEREST	RECLAIMED WORKING CAPITAL	SALVAGE VALUE	NET CASH IN FLOW	DISCOUNT FACTOR	PRESENT VALUE OF NET CASH INFLOW
-2/1	814,825							-814,825	1.000000	-814,825
1		26,037	-45,493.4	74,801	61,880.4			65,151	0.879715	57,314
2		16,686	68,448.1	74,786	63,379.9			189,928	0.773898	146,985
3			71,793.7	74,786	56,879.3			203,459	0.680810	138,517
4			14,225.1	74,786	50,378.9			139,390	0.598918	83,483
5			20,725.7	74,786	43,878.3			139,390	0.526877	73,441
6			28,838.1	73,174	37,377.9			139,390	0.463502	64,608
7			35,338.7	73,174	30,877.3			139,390	0.407749	56,836
8			41,839.1	73,174	24,376.9			139,390	0.358703	50,000
9			48,339.7	73,174	17,876.3			139,390	0.315557	43,985
10			54,840.1	73,174	11,375.9			139,390	0.277600	38,695
11			127,013.6	7,501	4,875.4	42,723	67,509	249,622	0.244209	60,960

TOTAL = 0

INTERNAL RATE OF RETURN = 13.6732%

Table 63-1 Internal Rate of Return (Case 8-1)

YEAR	INVESTMENT	WORKING CAPITAL	INCOME BEFORE TAX	DEPRECIATION & AMORTIZATION	INTEREST	RECLAIMED WORKING CAPITAL	SALVAGE VALUE	NET CASH IN FLOW	DISCOUNT FACTOR	PRESENT VALUE OF NET CASH INFLOW
-2/1	868,207							-868,207	1.000000	-868,207
1		26,037	-93,137.8	80,141	104,184.8			65,151	0.890734	58,032
2		16,686	21,863.1	80,124	104,626.9			189,928	0.793407	150,690
3			29,439.0	80,124	93,896.0			203,459	0.706714	143,787
4			-23,899.1	80,124	83,165.1			139,390	0.629494	87,745
5			-13,168.1	80,124	72,434.1			139,390	0.560711	78,158
6			-825.1	78,512	61,703.1			139,390	0.499445	69,618
7			9,905.9	78,512	50,972.1			139,390	0.444872	62,011
8			20,636.8	78,512	40,241.2			139,390	0.396263	55,235
9			31,367.9	78,512	29,510.1			139,390	0.352964	49,200
10			42,098.7	78,512	18,779.3			139,390	0.314397	43,824
11			123,840.8	7,501	8,048.2	42,723	67,509	249,622	0.280044	69,905

TOTAL = 0

INTERNAL RATE OF RETURN = 12.2670%

Table 63-2 Internal Rate of Return (Case 8-2)

YEAR	INVESTMENT	WORKING CAPITAL	INCOME BEFORE TAX	DEPRECIATION & AMORTIZATION	INTEREST	RECLAIMED WORKING CAPITAL	SALVAGE VALUE	NET CASH IN FLOW	DISCOUNT FACTOR	PRESENT VALUE OF NET CASH INFLOW
-2/1	839,274							-839,274	1.000000	-839,274
1		26,037	-68,223.3	77,245	82,166.3			65,151	0.884863	57,650
2		16,686	46,224.9	77,231	83,158.1			189,928	0.782982	148,710
3			51,599.5	77,231	74,628.5			203,459	0.692831	140,963
4			-3,940.6	77,231	66,099.6			139,390	0.613061	85,455
5			4,588.4	77,231	57,570.6			139,390	0.542474	75,615
6			14,729.4	75,619	49,041.6			139,390	0.480015	66,909
7			23,258.4	75,619	40,512.6			139,390	0.424748	59,206
8			31,787.3	75,619	31,983.7			139,390	0.375843	52,389
9			40,316.4	75,619	23,454.6			139,390	0.332569	46,357
10			48,845.2	75,619	14,925.8			139,390	0.294278	41,019
11			125,492.3	7,501	6,396.7	42,723	67,509	249,622	0.260396	65,001

TOTAL = 0

INTERNAL RATE OF RETURN = 13.0119%

