

Virgin Asia Emarketing Pvt Ltd



# PROJECT REPORT



Prepared By

**Accovet Limited**

Trivandrum | Ernakulam | Thrissur | Calicut

**Accovet**  
Your consultant Partner

# **Index**

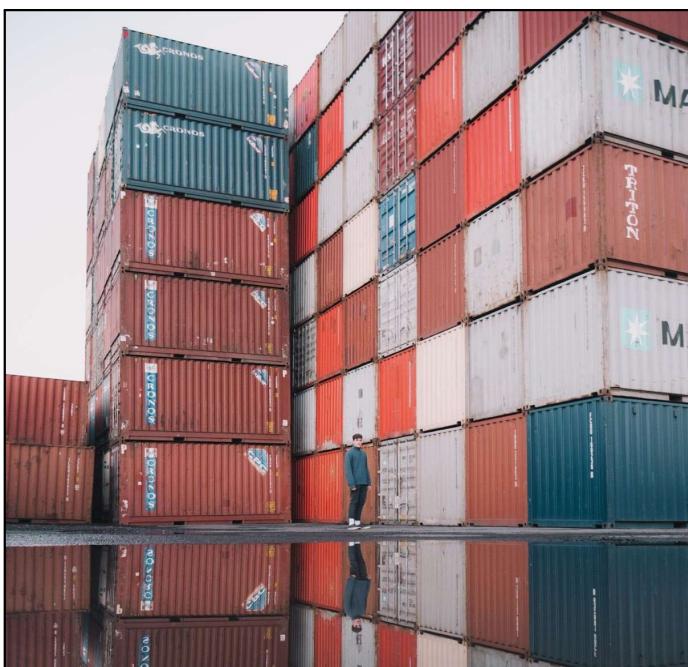
- 1) Introduction**
- 2) Location**
- 3) Industry Analysis**
- 4) Business Profile**
- 5) Promoters**
- 6) Financial Analysis**
- 7) Schedule**
- 8) SWOT Analysis**
- 9) Social Cost Benefit**
- 10) Conclusion**

# Introduction

Virginasia E Marketing Pvt Ltd stands as a vanguard of innovation and operational excellence, embodying an unwavering commitment to progress. As an esteemed licensee of the Government e-Marketplace (GeM) Portal, officially endorsed by the central government since its inception in 2017, we have emerged as a beacon of seamless transactions, playing a pivotal role in the procurement landscape. Our strategic partnership with the GeM Portal empowers us to source top-tier goods directly from manufacturers, ensuring their prompt delivery to government-run institutions.

The GeM Portal, a highly acclaimed online system, has evolved into a crucial avenue for procurement, and Virginasia E Marketing Pvt Ltd proudly navigates its corridors, fostering transparency in our engagements with various government entities. Grounded in an unwavering commitment to delivering unparalleled solutions, we leverage our extensive expertise in the renovation sector and strategic alliances forged through the GeM Portal.

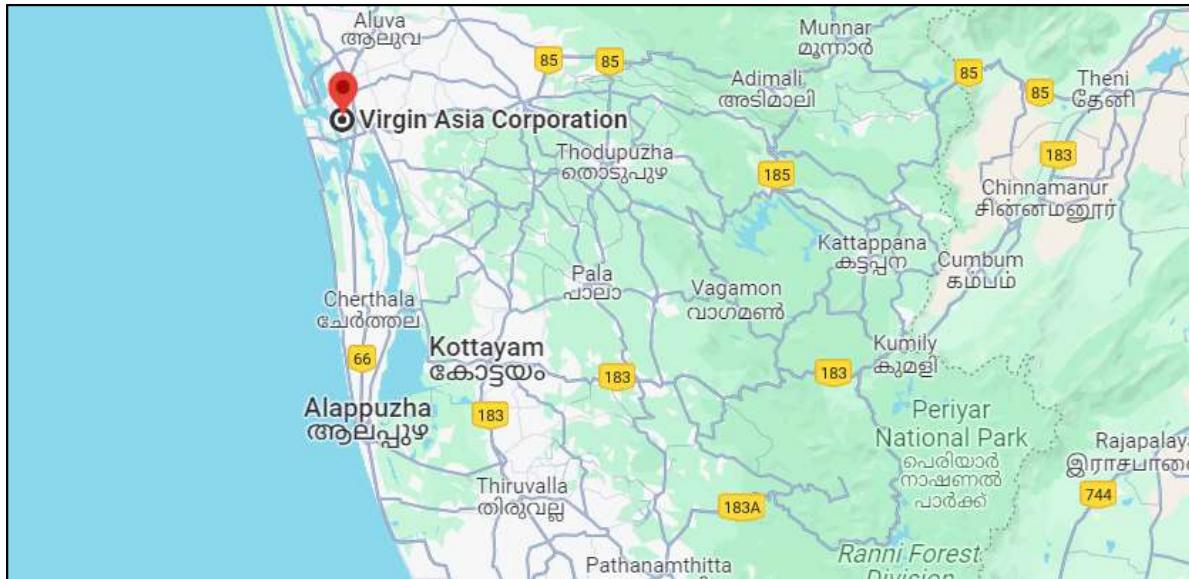
At the core of our mission lies the overarching goal of making a substantial contribution to the advancement of the nation's infrastructure. By aligning our operations with the evolving needs of modern infrastructure and adhering to the stringent standards set by government institutions, Virginasia E Marketing Pvt Ltd plays an instrumental role in shaping the landscape of national development. We consistently uphold the highest quality standards across all facets of our business, ensuring that our contributions to infrastructure development are synonymous with excellence.



Operating as both a manufacturing associate and an authorized licensee of the GeM Portal, we specialize in procuring and delivering a diverse range of high-quality goods to government entities. Our comprehensive product portfolio spans electronics, steel, mechanical spares, and various supplies tailored to robustly support comprehensive project needs. With a focused commitment to efficiency, transparency, and an unyielding dedication to quality, Virginasia E Marketing Pvt Ltd stands as a key player in the realm of government procurement, poised to shape the future of infrastructure development in the nation.

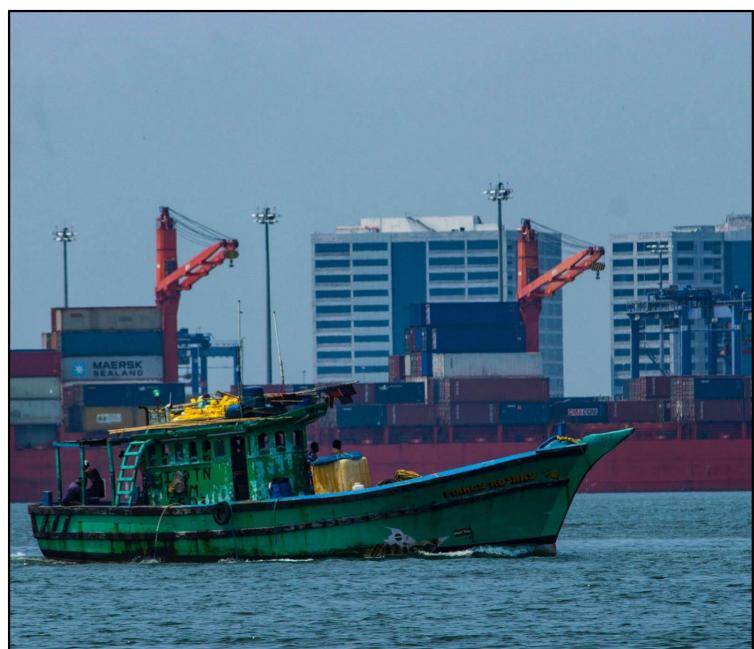
# Location

Location: HD-08, BEYOND Co-Working, 90A Door No. 55/1171, Canal Road, Girinagar, Kochi-682020.



Kochi, situated on the southwest coast of India, stands as a dynamic business hub with strategic advantages. Its proximity to international trade routes along the Arabian Sea, complemented by excellent connectivity through the Cochin International Airport and a well-developed port, positions Kochi as a prime location for businesses engaged in global trade and logistics. Special Economic Zones in the region provide added incentives, making it an attractive destination for both foreign and domestic investments. The city has also transformed into a burgeoning IT and technology hub, leveraging its skilled workforce and modern infrastructure.

Beyond its economic prowess, Kochi's cultural richness and historical significance contribute to a thriving tourism industry, creating opportunities for businesses in hospitality and related sectors. The city's commitment to quality of life, coupled with government initiatives promoting a business-friendly environment, further enhances its appeal. With a unique blend of strategic location, connectivity, and a diverse economic landscape, Kochi emerges as a promising center for businesses looking to tap into India's growth story.



# Industry Profile

Operating within the dynamic realm of public procurement, our company is dedicated to the efficient sourcing and delivery of top-tier goods directly from manufacturers to government-run entities, primarily through the revolutionary Government e-Marketplace (GeM) portal. GeM stands as a pioneering digital platform, meticulously designed to usher in a new era of seamless transactions in procurement, championing a paperless, contactless, and cashless experience for both buyers and sellers.

At the heart of our business strategy lies the establishment of a robust supply chain, forging direct connections with reputable manufacturers. By eliminating intermediaries, our goal is to streamline the procurement process, thereby reducing costs and enhancing overall efficiency. This strategic approach is in perfect alignment with GeM's core objectives of promoting transparency and expeditiousness in public procurement. Paramount in our focus is the insistence on providing goods of impeccable quality, recognizing the critical importance of meeting or surpassing the stringent standards mandated by government agencies. Whether dealing with construction materials, equipment, or other essential supplies, our commitment to sourcing excellence ensures that the government receives products of the highest calibre.

The GeM portal serves as the central nucleus for our transactions, providing a secure and user-friendly platform that benefits both buyers and sellers. Embracing the digital nature of GeM, our active participation contributes to the government's broader initiatives aimed at modernizing procurement processes. Beyond the acceleration of transactions, the platform minimizes the environmental impact traditionally associated with paper-based systems, further aligning our operations with GeM's commitment to sustainability. By fully engaging with GeM, our company not only furthers its own efficiency goals but also becomes an integral participant in the government's vision for a technologically advanced and streamlined procurement process.



As a real estate and construction company, we leverage the GeM portal to facilitate the direct procurement of high-quality goods from manufacturers for government-run entities. This strategic approach not only aligns seamlessly with GeM's overarching objectives but also positions our company as a pivotal player in the ongoing transformation of the public procurement sector toward a more efficient, transparent, and digitized future.

## Scope Analysis

The scope analysis within the context of public procurement, specifically centered on the Government e-Marketplace (GeM) portal, is concentrated on facilitating the efficient acquisition and delivery of high-quality goods. The strategic emphasis is on establishing a direct supply chain with reputable manufacturers, aiming to streamline the procurement process by eliminating intermediaries, thereby reducing costs and enhancing overall efficiency. This approach closely aligns with GeM's fundamental objectives of fostering transparency and expeditiousness in public procurement, highlighting a commitment to delivering products that adhere to or exceed the stringent quality standards set by government agencies.

The GeM portal serves as the central hub for these operations, providing a secure and user-friendly platform for both buyers and sellers. The scope of this business initiative integrates seamlessly with the digital infrastructure of GeM, actively contributing to the government's broader modernization initiatives for procurement processes. Beyond transactional speed, this engagement with GeM aligns with sustainability objectives, minimizing the environmental impact associated with traditional paper-based systems.

Navigating the digital landscape of GeM positions this initiative as a significant player in the ongoing transformation of the public procurement sector toward a more efficient, transparent, and technologically advanced future. The scope extends beyond mere transactions, embodying a commitment to excellence, sustainability, and active participation in shaping the evolving landscape of public procurement.



# Business Profile

Virgina E Marketing Pvt Ltd has established itself as a prominent player in the market, operating as an authorized licensee of the Government e-Marketplace (GeM) Portal, a substantial online system initiated by the central government in 2016. Our core mission revolves around the efficient procurement of high-quality goods directly from manufacturers and their seamless delivery to government-run institutions through the GeM Portal. Our extensive portfolio, comprising lakhs of products, is strategically curated to specialize in electronics, electrical components, mechanical parts, and a diverse array of general store products.

In the electronics sector, we offer a comprehensive range that caters to diverse needs, from cutting-edge gadgets and computers to an extensive array of accessories and cameras. This commitment to variety and innovation ensures that our clients have access to the latest technologies and a broad spectrum of choices. Our expertise further extends to the realm of steel products, where we provide an extensive and diverse range, encompassing sheets, pipes, guiders, channels, aluminum sheets, stainless steel sheets, copper sheets, wiring, cables, cup and bush, and various mechanical spares. Additionally, we specialize in the supply of mechanical products and equipment, catering to varied industrial needs, including steam pipes and more.

Beyond industrial supplies, we serve as a comprehensive solution for office essentials, offering a diverse range of products such as plywood, marine plywood, PVC play products, MDF, and related items and boards. Our commitment to quality, reliability, and efficiency positions us as the preferred partner for businesses seeking a reliable and diverse source for their procurement needs.

As a pivotal player in government procurement, our strategic utilization of GeM's digital platform is aimed at streamlining processes, reducing costs, and actively contributing to the nation's infrastructure development. Anchored by an unwavering focus on excellence, Virgina E Marketing Pvt Ltd stands as a key partner for businesses in search of reliable and diverse procurement solutions. Our dedication to client satisfaction is underlined by our commitment to industry growth, and we are poised to play a crucial role in shaping the success of the industries we serve. Our overarching goal is to deliver excellence in every facet of our business, ensuring our clients' satisfaction and contributing to the sustained growth and success of the industries we engage with.



**Direct Manufacturers**



**Virgina E Marketing Pvt Ltd**



**Govt Run Companies/Customers**



**Govt e-Marketplace (GeM)**

We meticulously procure superior-quality goods directly from manufacturers. Our dedicated approach ensures the integrity of the supply chain, providing clients with products of excellence. By establishing direct connections with manufacturers, we streamline procurement processes, offering efficiency and reliability in sourcing top-tier goods for diverse needs.

Virginia E Marketing Pvt Ltd proudly operates as an authorized licensee for the Government e-Marketplace (GeM) Portal. This online system serves as a centralized hub, streamlining the online procurement process for common-use Goods & Services needed by diverse Government Departments, Organizations, and PSUs.

As a one-stop portal, GeM revolutionizes the procurement landscape, providing a seamless platform for efficient and transparent transactions. Virginia E Marketing Pvt Ltd's commitment lies in facilitating access to GeM, contributing to the enhancement of government procurement practices and supporting the diverse needs of public entities through this innovative and comprehensive online marketplace.

With the assistance of the GeM Portal, we efficiently deliver high-quality goods to government-run companies and customers. Leveraging the platform's capabilities, we ensure a streamlined and reliable process, meeting the procurement needs of various government entities and providing top-tier products to support their operations effectively.

Our venture aims to revolutionize the sales dynamics of manufacturing companies by introducing a unique vertical. Unlike the conventional methods of distribution or direct selling, our approach involves orchestrating bulk trading through the Government e-Marketplace (GEM) Portal. Since our inception in 2011, we have progressively honed our expertise in participating in significant tenders through the GEM portal. This strategic journey has equipped us to tap into the expansive business opportunities, estimated at around 10 lakh crores nationwide. Currently, a diverse array of 35 lakh products is actively traded through the GEM portal.

At the core of our mission is the ambition to establish ourselves as a market leader, driving increased business volumes without incurring additional costs. Armed with a comprehensive set of licenses, we are strategically positioned to participate in various tenders, playing a pivotal role as the intermediary between manufacturing companies and GEM customers.

### **Market Opportunity:**

With an estimated business potential of around 10 lakh crores throughout India, our focus on the GEM portal allows us to bridge the gap between manufacturing companies and an extensive range of government customers. This positions us at the forefront of tapping into a lucrative market, providing a unique avenue for growth.

### **Marketing Strategy:**

Operating as intermediaries, we facilitate manufacturing companies in engaging directly in bulk deals with Government undertakings. This approach offers companies the advantage of sidestepping substantial branding and advertising costs, while establishing efficient and direct connections with government entities. As agents, we streamline the procurement process, creating a mutually beneficial platform for manufacturers and government customers alike. Our innovative vertical not only capitalizes on the vast opportunities presented by the GEM portal but also offers a strategic and cost-effective approach for manufacturing companies to expand their market presence and increase sales volume.

## Commodities

### **Electronics & Electricals:**

Explore a comprehensive array of top-tier electronics and electrical goods meticulously curated to meet a diverse range of equipment needs. Our product profile in Electronics & Electricals ensures access to cutting-edge gadgets, essential components, and reliable solutions for various electrical requirements. From innovative gadgets to fundamental components, our extensive range is designed to elevate your electrical setups with confidence, reflecting our commitment to delivering excellence in every product.

### **Sheets, Pipes, Guiders, Channels, and More:**

Our product profile dedicated to Sheets, Pipes, Guiders, Channels, and more is crafted by trusted promoters, offering a versatile range of quality products. Whether you seek durable sheets, precision-engineered pipes, robust guiders, or versatile channels, our selection has you covered. This comprehensive range includes aluminum, stainless steel, copper sheets, wiring, cables, cup and bush, and a variety of mechanical spares. As your trusted source, we prioritize quality and reliability in every product, ensuring that your projects are equipped with the finest materials available in the market.

### **Plywood, Marine Products, PVC, MDF, and More:**

As passionate promoters in the industry, our specialization extends to a diverse product portfolio that includes Plywood, Marine Products, PVC, MDF, and related items and boards. Whether you require high-quality plywood for construction projects, marine plywood for specialized applications, PVC play products for versatile uses, or precision-engineered MDF for specific applications, our product profile ensures access to top-notch materials that meet the highest standards. This commitment to excellence and innovation is ingrained in every product we offer, allowing you to explore and choose solutions that align seamlessly with your requirements.

### **General Store Products:**

Beyond specialized categories, we cater to your everyday needs with our range of General Store Products. From household essentials to miscellaneous items, our product profile ensures that you have a one-stop solution for various daily requirements. Our commitment to quality and reliability extends to this category, guaranteeing that each product meets the standards of excellence that define our brand. Explore the diversity of our General Store Products to find the dependable solutions you need for your day-to-day needs.

This comprehensive product profile underscores our commitment to delivering excellence across diverse categories, ensuring that our clients have access to reliable, innovative, and high-quality solutions for a myriad of applications.

# Promoters Profile



**RETHEESH MELEPOKKATTU**

**Director**

The promoter in question boasts an extensive track record, with an impressive two decades of experience in the business realm. Specializing in the supply of materials within the engineering field, encompassing areas such as aircraft maintenance and fabrication, this seasoned professional has navigated the intricacies of the industry with adept skill and knowledge. Noteworthy is the promoter's expertise in contract dealings through the Government e-Marketplace (GEM) portal, showcasing a nuanced understanding of government procurement processes.

The promoter's journey unfolds as a testament to strategic development, having evolved the business in a staged manner. This progression has cultivated a depth of experience, rendering the individual well-equipped to engage in and navigate a diverse array of tenders. Leadership qualities shine through, evident in the ability to manage operations systematically and steer the business through various stages of growth.

One of the standout characteristics is the promoter's acumen in decision-making, particularly in dynamic and situational contexts. Described as a powerful individual, this professional has demonstrated the capacity to take intelligent and well-informed decisions, aligning business strategies with prevailing circumstances. Overall, this promoter emerges as a seasoned and adept figure in the business landscape, possessing a wealth of experience, leadership acumen, and a strategic mindset, all of which contribute to the ongoing success and adaptability of the enterprise.

# Financial Workings

## Detailed Workings Attached

### Assumptions

- Yearly increase in direct income is estimated @ 20 % in 2<sup>nd</sup> year onwards.
- Yearly increase in indirect income is estimated @ 20 % in 2<sup>nd</sup> year onwards.
- Yearly increase in expenditure excluding interest is estimated @ 20 % that of the previous year.
- Depreciation is calculated based on a diminishing value method at average rates.
- The Construction shall be completed within three to six months.

# Feasibility Study

Virginasia E Marketing Pvt Ltd has embarked on a meticulous feasibility analysis to scrutinize the viability of a forthcoming initiative. At the heart of this investigation is a comprehensive exploration of the proposed project's potential to enhance the company's market position and operational efficiency. Central to the initiative is the company's authorized licensee status for the Government e-Marketplace (GeM) Portal, which serves as the linchpin for the project's success. The multifaceted analysis encompasses a nuanced evaluation of market dynamics, including a keen examination of current trends, emerging opportunities, and potential challenges within the target market. In-depth scrutiny of the competitive landscape seeks to identify key players, ascertain their strengths and weaknesses, and carve out a unique niche for Virginasia E Marketing Pvt Ltd.

The technical feasibility aspect delves into the intricate details of the project, assessing the compatibility of proposed technologies with the company's existing infrastructure. This entails a meticulous examination of the integration requirements with the GeM Portal, ensuring seamless and compliant operations. Regulatory compliance is of paramount importance, and the feasibility analysis rigorously examines the project's adherence to legal standards and industry regulations.

On the financial front, a granular breakdown of costs, encompassing both initial investment and ongoing operational expenses, is scrutinized. Revenue projections are meticulously calculated based on thorough market research and sales forecasts. Return on Investment (ROI) and payback period assessments provide crucial insights into the financial viability of the project.

Operational feasibility explores the practical aspects of project implementation, outlining a detailed plan with milestones, resource requirements, and risk analysis. Human, technological, and logistical resources are identified, ensuring that the company is adequately equipped to navigate the complexities of execution. Risks are identified, and robust mitigation strategies are proposed to proactively address potential challenges.

The feasibility analysis undertaken by Virginasia E Marketing Pvt Ltd represents a comprehensive and strategic endeavor. By scrutinizing market conditions, technical requirements, financial implications, and operational intricacies, the company aims to make informed decisions about the proposed initiative's feasibility, laying a solid foundation for its success in the dynamic business landscape.



# SWOT Analysis

It is essential for stakeholders to capitalize on strengths, overcome weaknesses, seize opportunities, and mitigate threats through strategic planning, effective financial management, and collaboration with relevant stakeholders to maximize the utilization and benefits of working capital in establishing participation with Virgin Asia Corporation

## Strengths:

**GeM Portal Partnership:** Being an authorized licensee of the GeM Portal since its inception in 2016 provides Virginasia E Marketing Pvt Ltd a strong position in government procurement, allowing direct access to manufacturers and fostering seamless transactions.

**Diverse Product Portfolio:** With a comprehensive range of around 35 lakhs of products, including electronics, steel, mechanical spares, and general store items, the company offers a one-stop solution for various government entities, enhancing its market competitiveness.

**Efficient Supply Chain:** The company's focus on establishing a robust supply chain directly connecting with manufacturers enables efficiency in procurement, reducing costs, and aligning with GeM's objective of promoting transparency and speed in public procurement.

**Commitment to Quality:** Emphasizing the delivery of high-quality goods that meet or exceed government standards positions Virginasia E Marketing Pvt Ltd as a reliable partner for government-run institutions, contributing to the nation's infrastructure development.

## Weaknesses:

**Dependence on GeM Portal:** While the GeM Portal is a strength, the company's heavy reliance on this platform may pose a risk if there are changes in government policies or disruptions in the functioning of the portal.

**Limited Mention of Innovation:** The text speaks of being at the forefront of innovation, but specific details about innovative practices or technologies employed by the company are not explicitly mentioned.

# Opportunities:

**Market Expansion:** The company can explore opportunities for growth by expanding its reach beyond government entities and tapping into the private sector for procurement needs.

**Technological Integration:** Continuously integrating advanced technologies into its operations can further enhance efficiency, aligning with the broader trend of digitalization in procurement processes.

# Threats:

**Competition:** As a key player in government procurement, Virginasia E Marketing Pvt Ltd may face increasing competition from other companies aiming to establish themselves in the same space.

**Regulatory Changes:** Any changes in government regulations or policies related to procurement could impact the company's operations and require swift adaptation.

In summary, Virginasia E Marketing Pvt Ltd appears to have strong foundations, particularly with its GeM Portal partnership and diverse product portfolio. Addressing weaknesses and capitalizing on opportunities will be crucial for sustained success in the dynamic landscape of government procurement.



# Social Cost Benefit

The application of social cost-benefit analysis to Virginasia E Marketing Pvt Ltd allows for a nuanced examination of the company's initiatives and their societal impact. In evaluating the social costs, one must consider not only the explicit financial expenditures associated with the company's operations but also the broader implications of its activities. This includes the opportunity costs incurred in terms of alternative uses of resources, as well as any externalities, positive or negative, that may affect third parties.

Virginasia E Marketing Pvt Ltd, as an authorized licensee of the Government e-Marketplace (GeM) Portal, incurs direct financial costs in the form of operational expenses, technological investments, and other overheads. However, the opportunity costs may extend beyond monetary considerations to include the value of potential alternative business ventures or investments foregone in favor of the current business model.

On the benefits side, the company contributes positively to society through its facilitation of streamlined procurement processes for government entities. This results in potential economic gains such as job creation and increased efficiency in the public sector. Additionally, the societal benefits may extend to improved infrastructure development, which aligns with broader national goals.

Beyond financial metrics, Virginasia E Marketing Pvt Ltd's activities can have intangible social benefits. The company may foster innovation, promote fair business practices, and contribute to the development of a competitive and transparent marketplace. The distribution of these benefits across different segments of society is also a critical consideration, ensuring that the positive impacts are equitably shared.

Moreover, the company's commitment to regulatory compliance and ethical business practices can be seen as a positive externality, contributing to the overall betterment of the business environment. The long-term sustainability of the business and its adherence to ethical standards can positively influence the broader societal perception of corporate responsibility.

A social cost-benefit analysis of Virginasia E Marketing Pvt Ltd provides a comprehensive understanding of the company's contributions to society. It involves assessing not only the financial implications of its operations but also the broader societal impacts, ensuring a holistic evaluation that goes beyond the balance sheet to encompass the company's role in fostering economic development, transparency, and ethical business practices within the larger social framework.

# Conclusion

In conclusion, as a manufacturing associate operating under the authorization of the GeM Portal, our company is dedicated to facilitating seamless procurement of diverse products for government institutions. With a vast inventory of over 35 lakhs of products, ranging from electronics and computers to steel, plywood, and mechanical spares, we pride ourselves on direct sourcing from manufacturers to ensure the supply of high-quality goods. Our commitment extends to meeting the varied needs of government-run companies efficiently. Through the GeM Portal, we contribute to streamlining the acquisition process and providing reliable access to an extensive array of products, promoting transparency and effectiveness in government procurement.

Through a comprehensive analysis of the industry profile, market scope, SWOT analysis, and social cost-benefit analysis, the report identifies the opportunities, challenges, and potential benefits associated with working capital support. It emphasizes the significance of government support, growing market opportunities. Our strategic alignment with GeM empowers us to efficiently source top-tier goods directly from manufacturers, ensuring swift delivery to government institutions. Committed to transparency, we navigate the GeM Portal's corridors, leveraging our expertise in the renovation sector and strategic partnerships. Our mission revolves around advancing the nation's infrastructure by upholding the highest quality standards in delivering diverse goods, from electronics to mechanical spares, to government entities.

Based on the assumptions adopted in this report, the proposal is technically feasible, economically viable, and financially sound and warrants favourable consideration

**Thanking You**

# Workings

## Financing Pattern of the Project

Cost Items	Cost	Capital & Loan from Directors	Rs. In lakhs
1. Fixed Assets	2.50	-	2.50
Completed	2.50		
To be Completed	-		
2. Other Assets	3.00	-	3.00
Completed	3.00		
To be Completed	-		
3. Contingencies	-	-	-
4. Pre-Operative Expenses	68.54	68.54	- 68.54
5. Working Capital	125.96	125.96	- 125.96
Total	200.00	200.00	- 200.00

Summary of Financing Pattern	(In Lakhs)	(%)
1. Capital & Loan from Directors	200	100%
Total	200	100%

### Cost of Funds

	Amount	Rate of Int.	Amount	Rate of IT in %	IT Adjust. Interest
1. Capital & Loan from Directors	200.00	12%	24.00		24.00
					24.00
2. Cost of Project					200.00
Cost of Funds					12.00%

## Cost of Project & Means of Finance

Rs. In lakhs

### I. Cost of Project

	Already incurred	To be incurred	Total
1. Fixed Assets	2.50	0.00	2.50
2. Other Assets	3.00	0.00	3.00
3. Contingencies	0.0% of Item 1&2	0.00	0.00
4. Pre-operative Expenses	68.54	0.00	68.54
5. Working Capital	125.96	0.00	125.96
<b>Total</b>	<b>200.00</b>	<b>0.00</b>	<b>200.00</b>

### II. Means of finance

1. Capital & Loan from Directors	100%	200.00	200.00
<b>Total</b>		<b>200.00</b>	<b>200.00</b>

	(In Rupee)	(In Lakhs)
<b>1. Fixed Assets</b>		
Fixed Assets	200,000	2.00
Website	50,000	0.50
<b>Total</b>	<b>250,000</b>	<b>2.50</b>
<b>2. Other Assets</b>		
Other Assets	300,000	3.00
<b>Total</b>	<b>300,000</b>	<b>3.00</b>
<b>3. Pre-Operative</b>		
Pre-operational Loss & Expenses	Goodwill	5,500,000
		55.00
Administration Cost		1,304,000
		13.04
Promotional Cost		50,000
		0.50
<b>Total</b>	<b>1,354,000</b>	<b>68.54</b>
<b>TOTAL</b>		<b>74.04</b>

## Detailed Workings of Profitability Estimates :

### Income

#### Direct Income

Item	Monthly (₹)	Yearly (₹)	
Sales	5,000,000	60,000,000	
	0	0	
	<b>60,000,000</b>	<b>600.00</b>	Lakhs

#### Other Income

Item	Yearly (₹)		
Other Income	1%	600,000	
Total		<b>600,000</b>	
		<b>6.00</b>	Lakhs

#### Total Revenue

**60,600,000** **606.00** Lakhs

### Expenses

#### Administrative Expenses

Exp. Heads	Monthly (₹)	Yearly (₹)	
Rent	400,000	4,800,000	
Electricity Charges	45,000	540,000	
Printing & Stationeries	15,000	180,000	
Telephone & Internet charges	42,000	504,000	
Accommodation, Food & Refreshment	25,000	300,000	
Salaries & Allowances	650,000	7,800,000	
<b>Total</b>	<b>1,177,000</b>	<b>14,124,000</b>	<b>141.24</b> Lakhs

#### Operational Expenses

Exp. Heads	Monthly (₹)	Yearly (₹)	
Repairs & Maintenance	30,000	360,000	
Professional fee	50,000	600,000	
Transportation & Travelling	175,000	2,100,000	
<b>Total</b>	<b>255,000</b>	<b>3,060,000</b>	<b>30.60</b> Lakhs

#### Business Promotion & Other Expenses

Exp. Heads	Monthly (₹)	Yearly (₹)	
Online Promotion	25,000	300,000	
<b>Total</b>	<b>25,000</b>	<b>300,000</b>	<b>3.00</b> Lakhs
<b>Total Expenses</b>	<b>17,484,000</b>	<b>174.84</b>	Lakhs

## Projected Profitability Statement

	Year	Year 1	Year 2	Year 3	Year 4	Year 5	Rs. In lakhs
Utilisation %	%	95	114	137	164	197	
<b>1. Income From Operations</b>							
Direct Revenue		570.00	684.00	820.80	984.96	1,181.95	
Other Income		6.00	7.20	8.64	10.37	12.44	
<b>Total</b>		<b>576.00</b>	<b>691.20</b>	<b>829.44</b>	<b>995.33</b>	<b>1,194.39</b>	
<b>2. Operational Cost</b>							
Purchases/Procurement		370.50	444.60	533.52	640.22	768.27	
Operation Expenses		30.60	36.72	44.06	52.88	63.45	
Depreciation		0.50	0.40	0.32	0.26	0.20	
<b>Sub Total of 2</b>		<b>401.60</b>	<b>481.72</b>	<b>577.90</b>	<b>693.36</b>	<b>831.93</b>	
<b>3. Profit before Interest, Administration &amp; Selling Expenses and Taxes (1-2)</b>							
		174.40	209.48	251.54	301.97	362.47	
<b>4. Interest</b>							
On Term Loans		-	-	-	-	-	
On WC Loans		-	-	-	-	-	
<b>Sub Total of 4</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>5. Profit before Administration &amp; selling expenses &amp; tax (3-4)</b>							
		174.40	209.48	251.54	301.97	362.47	
<b>6. Administration &amp; Selling expenses</b>		<b>144.24</b>	<b>173.09</b>	<b>207.71</b>	<b>249.25</b>	<b>299.10</b>	
<b>7. Write off of Pre-operative Expenses</b>		<b>13.71</b>	<b>13.71</b>	<b>13.71</b>	<b>13.71</b>	<b>13.71</b>	
<b>8. Profit before tax (5-6-7-8)</b>		<b>16.45</b>	<b>22.68</b>	<b>30.12</b>	<b>39.02</b>	<b>49.66</b>	
<b>9. Income tax</b>		<b>4.28</b>	<b>5.90</b>	<b>7.83</b>	<b>10.14</b>	<b>12.91</b>	
<b>10. Profit after tax (9-10)</b>		<b>12.17</b>	<b>16.79</b>	<b>22.29</b>	<b>28.87</b>	<b>36.75</b>	
<b>Cumulative profit</b>		<b>12.17</b>	<b>28.96</b>	<b>51.25</b>	<b>80.12</b>	<b>116.87</b>	
Dividend		10.00	10.50	11.03	11.58		
Preference Dividend		-	-	-	-	-	
Cumulative Dividend		-	10.00	20.50	31.53	43.10	
<b>Reserves and Surplus</b>		<b>12.17</b>	<b>18.96</b>	<b>30.75</b>	<b>48.60</b>	<b>73.77</b>	
<b>Calculation of Income tax</b>							
<b>Profit before tax (5-6-7-8)</b>		<b>16.45</b>	<b>22.68</b>	<b>30.12</b>	<b>39.02</b>	<b>49.66</b>	
Export turnover in %	0	-	-	-	-	-	
Exemption u/s 80HHD		-	-	-	-	-	
<b>Taxable profit</b>		<b>16.45</b>	<b>22.68</b>	<b>30.12</b>	<b>39.02</b>	<b>49.66</b>	
Tax Rate %		26.00	26.00	26.00	26.00	26.00	
<b>Income tax payable</b>		<b>4.28</b>	<b>5.90</b>	<b>7.83</b>	<b>10.14</b>	<b>12.91</b>	

## WORKING CAPITAL PROJECTIONS

Item	Holding (months)	Basis	Year 1	Year 2	Year 3	Year 4	Year 5
1. Expenses	1.00	Actuals	14.52	17.48	20.98	25.18	30.21
2. Receivables	2.00	Actuals	96.00	115.20	138.24	165.89	199.07
3. Purchases	1.00	Actuals	30.88	37.05	44.46	53.35	64.02
Current Assets		(CA)	141.40	169.73	203.68	244.42	293.30
3. Less Creditors	0.50	(CL)	15.44	18.53	22.23	26.68	32.01
A. Net Working capital		(CA-CL)	125.96	151.21	181.45	217.74	261.29
B. Bank Finance	0%	A	0.00	0.00	0.00	0.00	0.00
C. Working capital		(A-B)	125.96	151.21	181.45	217.74	261.29
D. Increase in Current Assets			141.40	28.34	33.95	40.74	48.88
E. Increase in Current Liabilities			15.44	3.09	3.71	4.45	5.34
F. Increase in Bank Finance			0.00	0.00	0.00	0.00	0.00
G. Interest on Bank I	10.00	%	-	-	-	-	-

## Projected Cash Flow Statement

Rs. In lakhs

	Implement Period	Year 1	Year 2	Year 3	Year 4	Year 5
<b>A. Source</b>						
1. Profit before tax + Interest on Term loan	16.45	22.68	30.12	39.02	49.66	
2. Depreciation	0.50	0.40	0.32	0.26	0.20	
3. Write off of Prelim. & Pre-op. Exp.	13.71	13.71	13.71	13.71	13.71	
5. Increase in Equity Shares	200.00	-				
6. Increase in Preference	-					
7. Increase in Working Capital Borrowings	-	-	-	-	-	
8. Increase in Creditors	15.44	3.09	3.71	4.45	5.34	
9. Others						
<b>Total</b>	<b>200.00</b>	<b>46.10</b>	<b>39.88</b>	<b>47.86</b>	<b>57.43</b>	<b>68.91</b>

## B. Application

1. Increase in Fixed Assets	5.50					
2. Preliminary & Pre-operative Expe	68.54					
3. Repayment of Term Loans	-	-	-	-	-	-
4. Increase in Current Assets	141.40	28.34	33.95	40.74	48.88	
5. Taxation	4.28	5.90	7.83	10.14	12.91	
6. Equity Dividend		10.00	10.50	11.03	11.58	
7. Preference Dividend	-	-	-	-	-	
8. Others						
<b>Total</b>	<b>74.04</b>	<b>145.67</b>	<b>44.24</b>	<b>52.28</b>	<b>61.91</b>	<b>73.37</b>
C. Opening balance	125.96	26.38	22.03	17.60	13.12	
D. Net surplus (A-B)	125.96	-99.58	-4.36	-4.42	-4.48	-4.46
E. Closing balance	125.96	26.38	22.03	17.60	13.12	8.66

## Projected Balance

Rs. In lakhs

	Implement New Phase	Year 1	Year 2	Year 3	Year 4	Year 5
<b>A. Assets</b>						
1. Fixed Assets (WDV)	5.50	5.00	4.60	4.28	4.02	3.82
2. Current assets		141.40	169.73	203.68	244.42	293.30
3. Cash & Bank balances	125.96	26.38	22.03	17.60	13.12	8.66
4. Preliminary & Pre-operative Expenses	68.54	54.83	41.12	27.42	13.71	-
<b>Total</b>	<b>200.00</b>	<b>227.61</b>	<b>237.48</b>	<b>252.98</b>	<b>275.27</b>	<b>305.78</b>

## B. Liabilities

1. Equity Contribution	200.00	200.00	200.00	200.00	200.00	200.00
2. Reserves and Surplus		12.17	18.96	30.75	48.60	73.77
3. Investment	-	-	-	-	-	-
4. Working Capital Loans		-	-	-	-	-
5. Current Liabilities		15.44	18.53	22.23	26.68	32.01
<b>Total</b>	<b>200.00</b>	<b>227.61</b>	<b>237.48</b>	<b>252.98</b>	<b>275.27</b>	<b>305.78</b>

## Allocation Statement Of Contingency & Preoperative Expenses

Rs. In lakhs

Item	Cost	Contingency	Pre-operative	Total
		0.0%	0.00	
Fixed Assets	2.50	0.00	0.00	2.50
Other Assets	3.00	0.00	0.00	3.00
Miscellaneous Assets	0.00	0.00	0.00	0.00
<b>Total</b>	<b>5.50</b>	<b>0.00</b>	<b>0.00</b>	<b>5.50</b>

## Depreciation Statement (Written Down Value Method)

Fixed Assets	Average Rate		20	%					
Years	Opening	Gross Block Addition	Closing	Opening	Depreciation Current	Closing	Net Block Opening	Closing	
1	0.00	2.50	2.50	0.00	0.50	0.50	0.00	2.00	
2	2.50		2.50	0.50	0.40	0.90	2.00	1.60	
3	2.50		2.50	0.90	0.32	1.22	1.60	1.28	
4	2.50		2.50	1.22	0.26	1.48	1.28	1.02	
5	2.50		2.50	1.48	0.20	1.68	1.02	0.82	
6	2.50		2.50	1.68	0.16	1.84	0.82	0.66	
7	2.50		2.50	1.84	0.13	1.98	0.66	0.52	
8	2.50		2.50	1.98	0.10	2.08	0.52	0.42	
9	2.50		2.50	2.08	0.08	2.16	0.42	0.34	

## Break Even Analysis

Rs. In lakhs

Year Considered		Year 1
Sales	(S)	576.00
Variable Costs	(V)	401.10
Materials and consumables		401.10
Wages and Salaries		0.00
Power and Fuel		0.00
Repairs and Maintenance		0.00
Interest on Working capital		0.00
<b>Contribution</b>	<b>(C)</b>	<b>= (S-V)</b>
Fixed Costs	(F)	158.45
Depreciation		0.50
Insurance		0.00
Interest on Term Loan		0.00
Administration & Selling Expenses		144.24
Write off of Prelim. & Pre-op. Exp.		13.71
P/V Ratio	F/C	30.36 %
Break Even Sales		521.82
Break Even Capacity		90.59 % of Sales

## Internal Rate Of Return And Net Present Value

Rs. In lakhs

Year	Cash Inflow	Cash Outflow	Net Funds flow
0	0.00	200.00	-200.00
1	30.66		30.66
2	36.79		36.79
3	44.15		44.15
4	52.98		52.98
5	63.58		63.58
IRR (5 Years)			4.05 %
NPV @ 10% discounted cash flow			-29.90 Rs.

## Pay Back Period

Rs. In lakhs

Operating Year	Profit before Interest	Interest on Loans	Net Cash Flow	Cumulative Cash Flow
1	16.95	0.00	16.95	16.95
2	36.79	0.00	36.79	53.74
3	44.15	0.00	44.15	97.89
4	39.27	0.00	39.27	137.17
5	49.87	0.00	49.87	187.04
Fixed Capital cost				200.00
Pay Back period			Years	5.25

## Return on Investment

Investment	200.00 Rs. In Lakh	
Net Profit after Tax	Year-1	12.17
	Year-2	16.79
	Year-3	22.29
	Year-4	28.87
	Year-5	36.75
	Total	116.87

### Return on investment

5 Years Total	117 Rs. In Lakh	58%
Avg. Yearly ROI	23 Rs. In Lakh	12%

## Share Valuation

### Method 1: Discounted Cash Flow

Particulars	Projected Years				
	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenue	576.00	691.20	829.44	995.33	1,194.39
Total Expenses	545.34	654.41	785.29	942.35	1,130.82
Operational Profit	30.66	36.79	44.15	52.98	63.58
Profit from other projects	0.00	0.00	0.00	0.00	0.00
Total Profit	30.66	36.79	44.15	52.98	63.58
Non-Operating Exp.					
Depreciation	0.50	0.40	0.32	0.26	0.20
Net Profit	30.16	36.39	43.83	52.72	63.37
NP Margin	5%	5%	5%	5%	5%

Adjustments:

Depreciation & Amortisation	0.50	0.40	0.32	0.26	0.20
Changes in Working Capital	125.96	25.25	30.24	36.29	43.55
Free Cash Flow to Equity (FCFE)	156.62	62.04	74.39	89.27	107.12
Discount Rate	10%				
Discounting year	1	2	3	4	5
Discounting Factor	0.91	0.83	0.75	0.68	0.62
<b>Present Values of Cash Flows</b>	<b>142.38</b>	<b>51.28</b>	<b>55.89</b>	<b>60.97</b>	<b>66.52</b>

Terminal Growth Rate	3%
Terminal Value	1576
Present Value of Terminal Value	979
<b>Value of Business (₹ in Lakhs)</b>	<b>1356</b>
No. of Shares	1999975
<b>Value Per Share (₹)</b>	<b>67.79</b>

Present	
Total Share Value	19999750
Share Value	10
No Shares	1999975

### Method 2: Net Asset Value

Particulars	
Total Assets (₹ in Lakhs)	6
Less: Liabilities (₹ in Lakhs)	0
Net Asset (₹ in Lakhs)	6
No. of share	1,999,975
<b>Value per Share (₹)</b>	<b>0.28</b> Rs.

### Method 3: Dividend Growth Model

Particulars	(₹)
Dividend Per Share	0.50
Dividend Growth Rate	5%
Value Per Share at the End of Year 1	11
<b>Present Value Per Share</b>	<b>9.55</b>

Share Valuation	(₹)	Weightage
Method 1: Discounted Cash Flow	68	50%
Method 2: Net Asset Value	0.28	25%
Method 3: Dividend Growth Model	9.55	25%
<b>Fair Value Per Share</b>	<b>36</b>	100%