

# Business Plan & Projections



M/s PVC Expert (Name Changed)

# Executive Summary

## Business Details

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Name of Business Firm	<b>M/s PVC Expert (Name Changed)</b>
Business Industry	Manufacturing
Nature of Business	PVC Synthetic Leathers manufacturing
Legal Constitution	Company
Address	Plot No - 4, MG Lane Mumbai
Pin Code	400001
Contact Phone	999xxxxxx

## Project & Loan Details

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Fixed Capital to be Invested	₹ 100,000,000
Working Capital to be Invested	₹ 250,000,000
Total Project Cost	<b>₹ 350,000,000</b>
Owner Share Capital	₹ 45,000,000
Additional Capital Needed	₹ 350,000,000
Total Loan Amount Needed	<b>₹ 395,000,000</b>
Projection Duration	7 Years
Nature of Investment	Equity Share Investment
<b>IRR Rate</b>	<b>59%</b>

# Project Details

## Cost of Project

₹ 350,000,000

### Project Cost BreakUp

Machinery & Equipments	₹ 90,000,000
Computers, Printers, Servers, etc	₹ 200,000
Installation charge, Shipping, etc	₹ 7,300,000
Vehicle for Business use	₹ 2,500,000
Working Capital	₹ 250,000,000

## Means & Cost of Finance

Source	Share	Amount	Interest Rate
Own Capital*	11%	₹ 45,000,000	N/A
Investor Funds	89%	₹ 350,000,000	N/A
Total Equity Funds	100%	₹ 395,000,000	
Term Loan	0%	₹ 0	10.75%
Working Capital limit	0%	₹ 0	10.75%
<b>Total</b>	<b>100%</b>	<b>₹ 395,000,000</b>	

## Promoter's Details

Mr Sushil Mehta & Mr Brijesh Aggarwal are the founder/promoter of the Business Firm. The Promoters have done an indepth study of the Project's feasibility and has the relevent experience to successfully implement the Project. The Promoters are confident about the market potential of their Project and they are capable to overcome competition & make sales as provided in the financial projections of this Report

<b>Promoter Name</b>	<b>Mr Sushil Mehta</b>
Gender	Male
Educational Qualifications	Graduate
Work Experience	3 -7 years
Address	C-1/4, Sea Vihar, Mumbai - 400001

Contact Phone	999xxxxxx
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## Other Promoters / Owners / Key Person

Additional Director 1	<b>Name</b> <b>Brijesh Aggarwal</b>	<b>Work Experience</b> 3 -7 years
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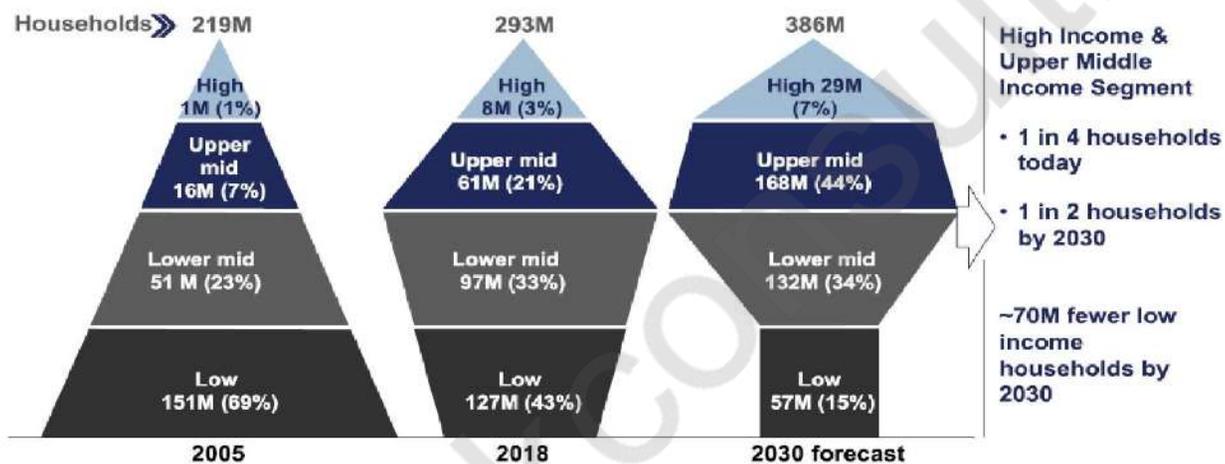
# Business Scenario

M/s PVC Expert (Name Changed) is planning to setup a project of PVC Synthetic Leathers manufacturing. The Business firm and its owners have the relevant expertise & experience to set up this project and make it run as a profitable business in years to come.

As per Morgan Stanley Report, India is on track to become the world's third largest economy by 2027, surpassing Japan & Germany. India's GDP could more than double from \$3.5 trillion today to surpass \$7.5 trillion by 2031.

As per World Economic Forum (WEF), till 2005, 69% of India's households were classified as "low income. In the last 13 years, many households have become prosperous middle class. With a steady GDP growth rate of 7.5% a year, by 2030 and 1 in 2 households will be in the high and upper-middle-income segments – up from 1 in 4. The new middle-class households will represent an equal mix of existing households becoming more prosperous & the creation of new households where youngsters are more educated and better employed than their parents.

Additionally, the rural market is now segregating itself into two cohorts – "developed rural" and the "rest of rural India". Incomes in developed rural areas are already on a par with small towns and vastly higher than the rest of rural India. WEF projections suggest that developed rural India will be home to 240 million consumers by 2030.



Note: Low income: <\$4,000, Lower-mid: \$4,000-8,500, Upper-mid: \$8,500-40,000, High income: >\$40,000 basis income per household in real terms; Projections with annual GDP growth assumed at 7.5%  
Source: PRICE Projections based on ICE 360° Surveys (2014, 2016, 2018)

Manufacturing has emerged as one of the high growth sectors in India. The 'Make in India' program has placed India on the world map as a manufacturing hub. Due to factors like power growth, long-term employment prospects, and skill routes for millions of people, India has a significant potential to engage in international markets. These value chains are well positioned to benefit from India's advantages in terms of raw materials, industrial expertise, and entrepreneurship.

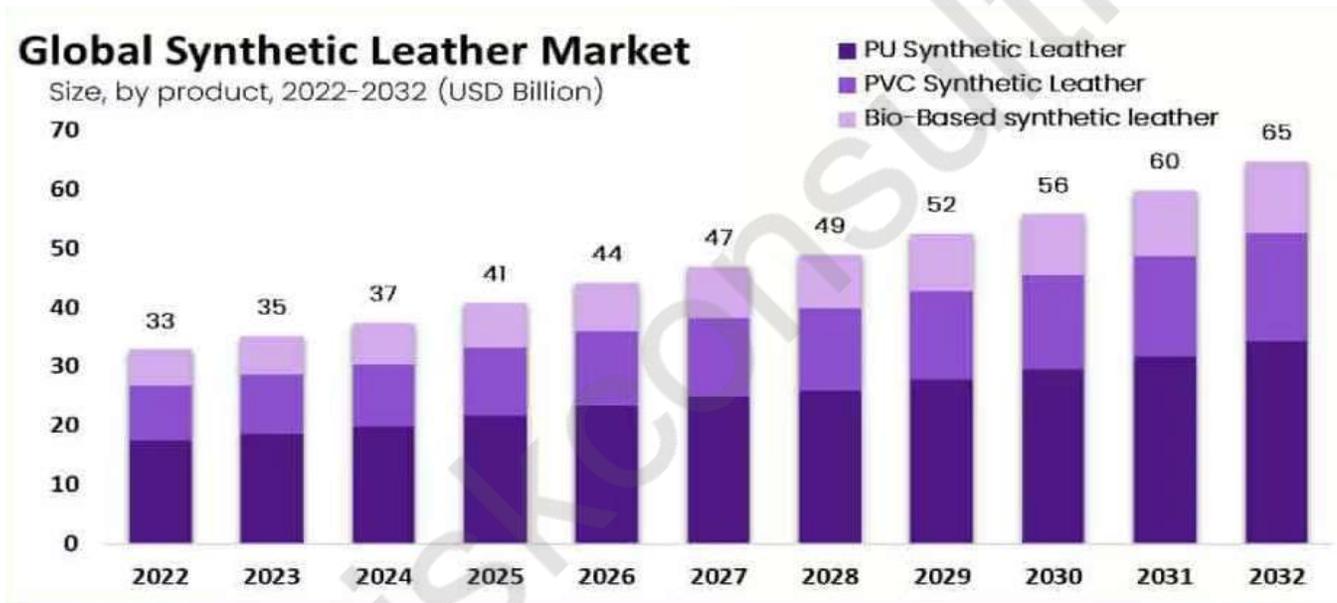
M/s PVC Expert (Name Changed) will make a healthy profit for its owners and financiers as well as provide a rewarding work environment for its employees. The Business intends to achieve the Sales and Profit Growth (in the projected financials) by (a) Capturing the Market with better offering and service (b) financing continued growth and development of the Business.

# Industry Scenario

The PVC synthetic leather industry is experiencing rapid growth, driven by increasing demand across multiple industries, including automotive, footwear, fashion, upholstery, and accessories. India's manufacturing and export sectors are fueling this demand as businesses and consumers shift toward cost-effective, durable, and eco-friendly alternatives to genuine leather. With stringent environmental regulations in place for natural leather tanning and an increasing focus on sustainable products, PVC synthetic leather has become a preferred choice globally.

India, with its expanding automobile, furniture, and fashion industries, is emerging as a key market for synthetic leather production. The automotive sector, in particular, is witnessing strong demand for PVC-based upholstery, seat covers, and interiors, replacing natural leather due to cost efficiency and customization options. The footwear and fashion industries are also shifting toward synthetic alternatives, as they offer high durability, water resistance, and vibrant design possibilities.

Globally, the synthetic leather market is projected to reach \$66 billion by 2030, with Asia-Pacific being the dominant region due to its strong manufacturing base and cost advantages. India is well-positioned to become a major supplier to international markets, with its competitive labor costs, improved production technologies, and rising export demand. As environmental awareness grows, eco-friendly PVC leather with advanced formulations is gaining traction, providing a significant opportunity for Indian manufacturers to capture global markets.



# Project Prospects

M/s PVC Expert (Name Changed) is planning to setup a project of PVC Synthetic Leathers manufacturing. The Business firm and its owners have the relevant expertise & experience to set up this project and make it run as a profitable business in years to come.

By focusing on its Strengths, Customers, as well as Management Team's Core Values, M/s PVC Expert (Name Changed) will increase its sales to Rs. 1971066390 in 7 years time, while also improving the profit margins, cash management, and working capital.

M/s PVC Expert (Name Changed) have thoroughly evaluated the prospects of setting up PVC Synthetic Leathers manufacturing business and the prospects look very promising. The Business firm has studied the potential market opportunity and even on a conservative basis they expect to reach profitability in a smooth and sustainable way. Based on market study, the firm expects to achieve the sales and cash flows as detailed in the Projected Financials that are part of this Report. M/s PVC Expert (Name Changed) wants to become the most reliable Manufacturing business in Mumbai

# Target Market

## Sr No. Target Customer

1 Automotive Industry (Car, Bike & Commercial Vehicle Upholstery)

### Approach:

✔ Direct Partnerships with OEMs & Tier-1 Suppliers – Establish relationships with leading automobile manufacturers and their component suppliers to provide high-quality PVC synthetic leather for car seats, dashboards, steering wheel covers, and door trims.

✔ Quality & Compliance Certifications – Obtain ISO, IATF 16949, and REACH certifications to meet global automotive industry standards, ensuring reliability and eligibility to supply to premium brands.

✔ Industry Networking & Trade Shows – Participate in Auto Expo India, ACMA (Automotive Component Manufacturers Association) Events, and international automotive fairs to showcase durability, customization, and eco-friendly features of Expert's synthetic leather.

2 Furniture & Interior Décor Industry

### Approach:

✔ Wholesale Distribution & B2B Partnerships – Engage with furniture manufacturers and large-scale retailers who require durable, stylish, and affordable upholstery materials. Offer flexible pricing and bulk purchase discounts.

✔ Customization & Product Innovation – Provide flame-retardant, water-resistant, and textured PVC synthetic leather to cater to luxury, eco-friendly, and budget-friendly segments in home & office decor.

✔ Target Hospitality & Commercial Spaces – Pitch to hotels, restaurants, and corporate offices looking for durable synthetic leather solutions for seating, paneling, and decor applications.

3 Footwear, Bags & Fashion Accessories Industry

### Approach:

✔ Collaborations with Indian & Global Footwear Brands – Partner with brands like Bata, Relaxo, Puma, and local shoe manufacturers to supply high-quality PVC synthetic leather that mimics genuine leather but is affordable and weather-resistant.

✔ Sustainable & Vegan Leather Positioning – Tap into the eco-conscious market by promoting biodegradable, cruelty-free synthetic leather as an alternative to animal leather for bags, belts, and luxury accessories.

✔ Presence in Fashion & Leather Trade Fairs – Exhibit products at Leatherworld India, Footwear India Expo, and international exhibitions to attract buyers looking for durable, high-quality materials for premium accessories.

# Our Business

## Mission

To become a market leader and provide unmatched value to both, our Customers & Employees

## Vision

Make continuous improvements in existing processes, invest in innovation & growth, and empower employees to act with ownership for the growth of the business

## Values

1. Honour all Promises 2. Encourage Innovation  
3. Promote Teamwork 4. Focus on Quality

**Expected CAGR (FY 24-25 to FY 31-32)**

**11.1%**

**Total no. of employees to be engaged**

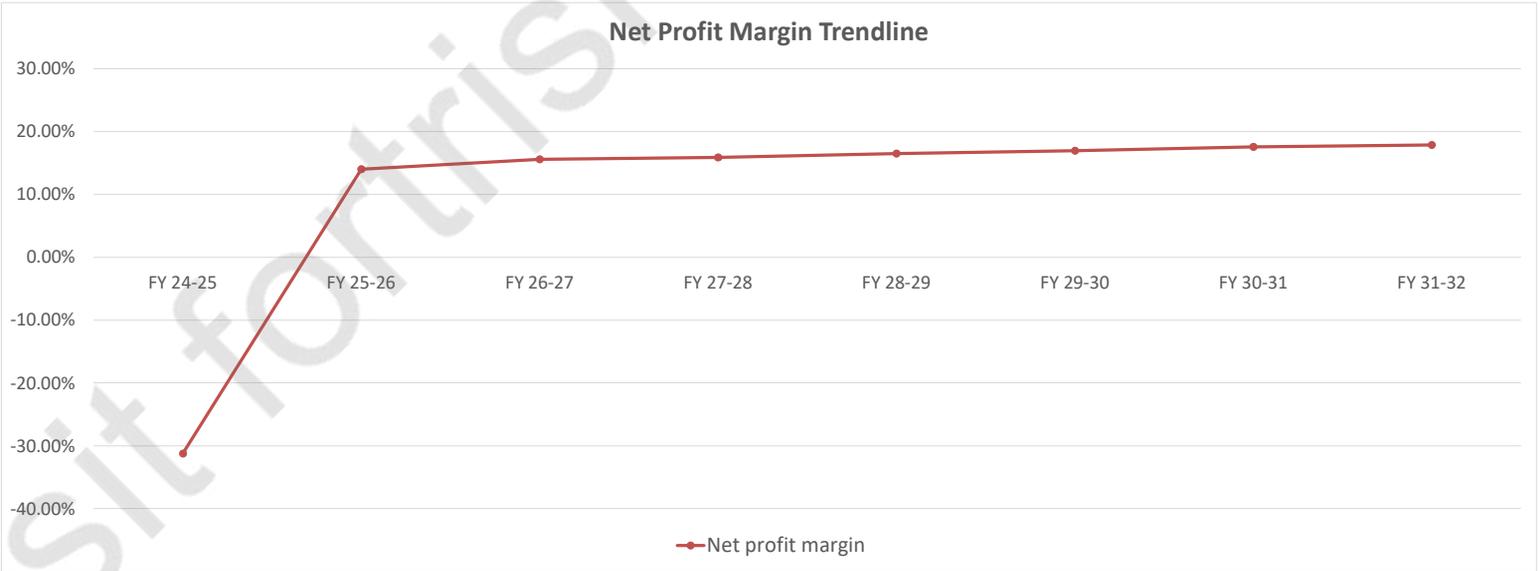
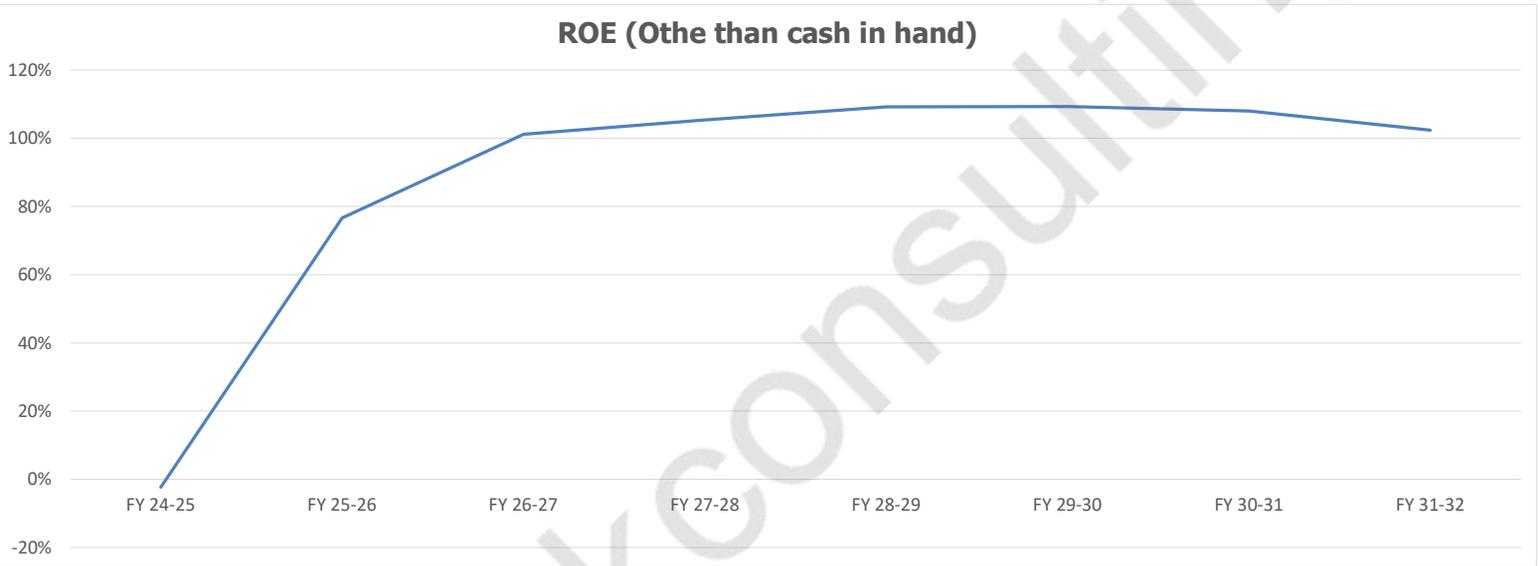
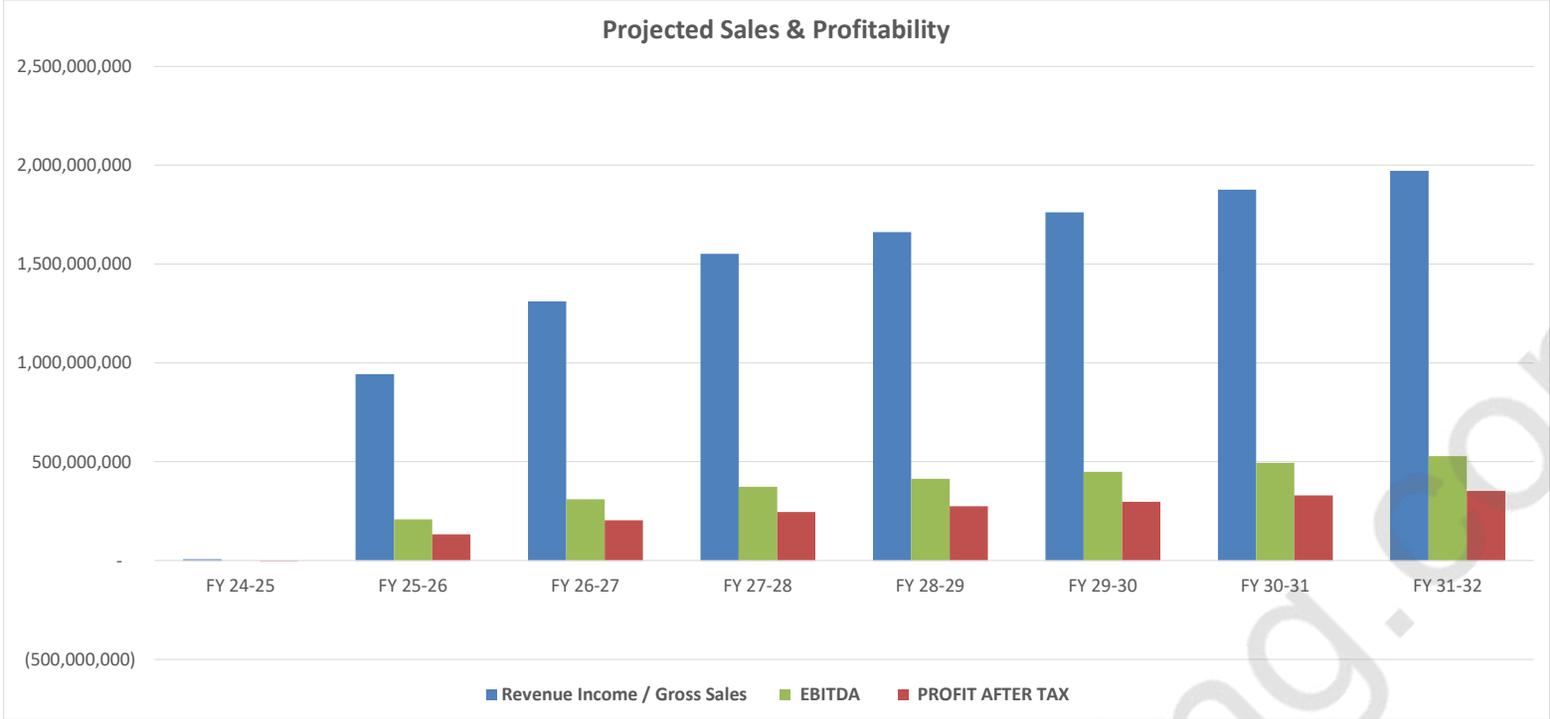
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PVC Expert is strategically positioned to become a key player in the PVC synthetic leather industry with a massive investment in a state-of-the-art manufacturing plant in Mumbai, India. The facility is designed to produce 25,000 meters of synthetic leather daily, making it one of the large production capacities in the region.

This significant investment ensures the company can leverage cutting-edge technology, high production efficiency, and superior product quality to meet the increasing demand in both domestic and international markets. The plant's scale allows for cost optimization, bulk production, and consistent supply, giving PVC Expert a competitive edge over smaller manufacturers.

PVC Expert is well-positioned to penetrate high-demand sectors with customized, sustainable, and durable synthetic leather solutions. By adopting a B2B and industrial sales approach, securing strategic partnerships, and leveraging industry trade networks, the company can establish itself as a leader in India's rapidly expanding synthetic leather industry.

# Key Data at a Glance



# Projected Sales Working

Rs in Actual

Particulars	Remaining Current	Projection Years --->							
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
Operational & Sales Capacity of Business (A)		15%	70%	90%	100%	100%	100%	100%	100%
No. of Operating Days (B)		10	290	290	290	290	290	290	290
No. of Operating Hours (C)		10	10	10	10	10	10	10	10
Hourly Producton Capacity (in Mtrs) (D)		2500	2500	2500	2500	2500	2500	2500	2500
Proportion derived as PVC leather (E)		92%	92%	93.0%	93.0%	93.5%	93.5%	94.0%	94.0%
Total PVC Leather Processed (in Mtrs) (F=A*B*C*D*E)		34,500	4,669,000	6,068,250	6,742,500	6,778,750	6,778,750	6,815,000	6,815,000
Average Selling Price / Kg (G)		200	200	200	200	200	200	200	200
<b>PVC Leather Sales (F*G)</b>		<b>6,900,000</b>	<b>933,800,000</b>	<b>1,213,650,000</b>	<b>1,348,500,000</b>	<b>1,355,750,000</b>	<b>1,355,750,000</b>	<b>1,363,000,000</b>	<b>1,363,000,000</b>
Price increase factor due to inflation & goodwill		1.00	1.01	1.08	1.15	1.23	1.30	1.38	1.45
<b>Revenue at Real Prices</b>		<b>6,900,000</b>	<b>943,138,000</b>	<b>1,311,591,555</b>	<b>1,552,050,007</b>	<b>1,661,819,995</b>	<b>1,761,529,195</b>	<b>1,877,206,085</b>	<b>1,971,066,390</b>

# Projected RM Purchase Working

Rs in Actual

Particulars	Remaining Current	Projection Years --->							
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
Total PVC Leather manufactured (in Mtrs) ( sales table - A*B*C*D)		37,500	5,075,000	6,525,000	7,250,000	7,250,000	7,250,000	7,250,000	7,250,000
RM Input cost / Mtr at current Price		120	120	120	120	120	120	120	120
RM Input Cost at current prices (A)		4,500,000	609,000,000	783,000,000	870,000,000	870,000,000	870,000,000	870,000,000	870,000,000
Price increase factor due to inflation (B)		1.00	1.06	1.13	1.21	1.29	1.36	1.45	1.52
<b>RM Input Cost at Real prices (C=A*B)</b>		<b>4,500,000</b>	<b>645,540,000</b>	<b>888,078,600</b>	<b>1,055,826,780</b>	<b>1,119,176,387</b>	<b>1,186,326,970</b>	<b>1,257,506,588</b>	<b>1,320,381,918</b>
Closing RM inventory in stock ~ 45 Days (D=C*45/365)		10,125,000	79,587,123	109,489,142	130,170,425	137,980,650	146,259,489	155,035,059	162,786,812
Opening RM Inventory (E)		-	10,125,000	79,587,123	109,489,142	130,170,425	137,980,650	146,259,489	155,035,059
<b>Total Purchases at Real Prices (C+D-E)</b>		<b>14,625,000</b>	<b>715,002,123</b>	<b>917,980,619</b>	<b>1,076,508,062</b>	<b>1,126,986,612</b>	<b>1,194,605,809</b>	<b>1,266,282,158</b>	<b>1,328,133,671</b>

# CMA DATA

## Projected Income Statement

Rs in Actual

Particulars	Remaining Current	Projection Years --->							
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
<b>INCOME</b>									
Revenue Income / Gross Sales		6,900,000.0	943,138,000.0	1,311,591,555.0	1,552,050,006.8	1,661,819,995.1	1,761,529,194.8	1,877,206,085.3	1,971,066,389.5
Treasury Income		307,278.4	7,832,805.4	10,334,671.1	15,063,679.1	21,079,252.2	28,055,631.8	35,673,572.8	43,892,424.4
<b>EXPENSES</b>									
Purchases (Stock, Inventory, Raw Material, etc)		14,625,000.0	715,002,123.3	917,980,619.2	1,076,508,062.5	1,126,986,612.3	1,194,605,809.0	1,266,282,157.6	1,328,133,670.6
Changes in Inventory (Refer Annexure 2)		(11,525,087.5)	(97,050,649.7)	(44,030,137.0)	(33,662,349.4)	(16,640,102.9)	(18,132,639.8)	(19,336,603.9)	(18,411,952.9)
Rent & Lease Cost		400,000.0	4,800,000.0	5,280,000.0	5,808,000.0	6,388,800.0	7,027,680.0	7,730,448.0	8,503,492.8
Salary & Wages		3,115,625.0	60,238,740.0	65,224,288.4	70,910,508.4	74,456,033.8	75,885,589.6	78,921,013.2	80,849,746.1
Electricity, Fuel & Water		500,000.0	22,896,000.0	25,497,240.0	28,449,552.0	29,872,029.6	31,066,910.8	32,309,587.2	33,440,422.8
Transportation		150,000.0	10,812,000.0	12,077,640.0	14,082,528.2	14,637,294.5	15,300,453.6	15,912,471.7	16,469,408.2
Phone, Postage & Internet		15,000.0	190,800.0	201,294.0	211,237.9	220,679.6	228,341.8	237,475.5	244,533.1
Advertising & Marketing		137,500.0	6,582,600.0	7,011,741.0	7,610,255.2	7,542,687.5	7,766,727.7	7,996,622.8	8,234,704.1
Repair & Maintenance		15,750.0	824,256.0	1,090,007.0	1,280,229.8	1,411,453.4	1,537,812.1	1,672,021.1	1,805,782.8
Insurance expenses		45,000.0	572,400.0	603,882.0	640,114.9	705,726.7	733,955.8	777,853.3	827,650.5
Consumables, Spares, etc		18,750.0	858,600.0	956,146.5	1,066,858.2	1,086,595.1	1,147,534.0	1,193,435.4	1,235,205.6
Other Expenses		7,725.0	343,440.0	382,458.6	426,743.3	457,042.1	475,323.7	499,183.1	516,654.5
Wastage & Spoilage		195,000.0	14,055,600.0	15,700,932.0	18,492,208.8	19,222,651.0	19,991,557.1	20,791,219.4	21,518,912.1
Staff Welfare		35,000.0	445,200.0	469,686.0	502,845.8	527,988.1	549,107.6	571,072.0	591,059.5
Travelling & Conveyance		13,500.0	973,080.0	1,086,987.6	1,280,229.8	1,344,241.3	1,398,011.0	1,453,931.4	1,504,819.0
Audit & Compliance		50,000.0	636,000.0	667,625.1	707,682.6	743,066.7	772,789.4	803,701.0	831,830.5
<b>EBITDA</b>		<b>(591,484.1)</b>	<b>208,790,615.8</b>	<b>311,725,815.8</b>	<b>372,798,977.8</b>	<b>413,936,448.5</b>	<b>449,229,863.3</b>	<b>495,064,069.2</b>	<b>528,662,874.6</b>
Depreciation & Amortisation		1,254,166.7	15,285,208.3	13,658,093.8	13,085,029.7	12,504,440.2	12,504,460.7	11,767,952.2	12,162,879.7
<b>EBIT</b>		<b>(1,845,650.7)</b>	<b>193,505,407.4</b>	<b>298,067,722.0</b>	<b>359,713,948.1</b>	<b>401,432,008.3</b>	<b>436,725,402.6</b>	<b>483,296,117.0</b>	<b>516,499,995.0</b>
Interest Expense		310,500.0	9,824,354.2	14,345,532.6	17,824,324.3	20,039,212.2	22,303,643.2	24,956,703.3	27,514,765.4
<b>Profit Before Tax</b>		<b>(2,156,150.7)</b>	<b>183,681,053.3</b>	<b>283,722,189.4</b>	<b>341,889,623.8</b>	<b>381,392,796.1</b>	<b>414,421,759.4</b>	<b>458,339,413.7</b>	<b>488,985,229.6</b>
Tax Expense		-	51,430,694.9	79,442,213.0	95,729,094.7	106,789,982.9	116,038,092.6	128,335,035.8	136,915,864.3
<b>PROFIT AFTER TAX</b>		<b>(2,156,150.7)</b>	<b>132,250,358.3</b>	<b>204,279,976.4</b>	<b>246,160,529.1</b>	<b>274,602,813.2</b>	<b>298,383,666.8</b>	<b>330,004,377.9</b>	<b>352,069,365.3</b>

# CMA DATA

## Projected Balance Sheet

Rs in Actual

Particulars	Remaining Current	Projection Years --->							
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
<b>SOURCES OF FUNDS</b>									
<b>A. Own Funds</b>									
Initial Capital Invested / Opening Capital Balance	350,000,000.0	347,843,849.3	440,594,207.6	605,374,184.0	812,034,713.1	1,047,137,526.3	1,306,021,193.0	1,596,525,570.9	
Additional Capital added	-	-	-	-	-	-	-	-	-
Profit (+) or Loss (-) from current P&L A/c	(2,156,150.7)	132,250,358.3	204,279,976.4	246,160,529.1	274,602,813.2	298,383,666.8	330,004,377.9	352,069,365.3	
Subsidy Received	-	-	-	-	-	-	-	-	-
Less: Drawings / Dividend	-	(39,500,000.0)	(39,500,000.0)	(39,500,000.0)	(39,500,000.0)	(39,500,000.0)	(39,500,000.0)	(39,500,000.0)	(39,500,000.0)
<b>Total Own Funds</b>	<b>347,843,849.3</b>	<b>440,594,207.6</b>	<b>605,374,184.0</b>	<b>812,034,713.1</b>	<b>1,047,137,526.3</b>	<b>1,306,021,193.0</b>	<b>1,596,525,570.9</b>	<b>1,909,094,936.2</b>	
<b>B. Long Term Liabilities</b>									
Term Loan from Bank	-	-	-	-	-	-	-	-	-
Loan from Friends & Family	-	-	-	-	-	-	-	-	-
<b>C. Current Liabilities</b>									
Bill Discounting Loan	5,899,500.0	186,662,729.2	272,565,120.0	338,662,161.6	380,745,031.9	423,769,220.5	474,177,362.5	522,780,542.1	
Interest Payable	310,500.0	818,696.2	1,195,461.1	1,485,360.4	1,669,934.4	1,858,636.9	2,079,725.3	2,292,897.1	
Provision for Taxation	-	51,430,694.9	79,442,213.0	95,729,094.7	106,789,982.9	116,038,092.6	128,335,035.8	136,915,864.3	
Sundry Creditors	7,312,500.0	29,791,755.1	38,249,192.5	44,854,502.6	46,957,775.5	49,775,242.0	42,209,405.3	33,203,341.8	
Other Current Liabilities & Provisions	3,083,745.0	9,009,903.0	7,888,313.2	6,524,301.4	5,699,097.6	4,705,677.6	4,908,337.0	4,437,055.0	
<b>Total Sources of Funds</b>	<b>364,450,094.3</b>	<b>718,307,986.0</b>	<b>1,004,714,483.7</b>	<b>1,299,290,133.8</b>	<b>1,588,999,348.6</b>	<b>1,902,168,062.8</b>	<b>2,248,235,436.8</b>	<b>2,608,724,636.5</b>	

Rs in Actual

Particulars	Remaining Current	Projection Years --->							
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
<b>APPLICATION OF FUNDS</b>									
<b>A. Non Current Assets</b>									
<b>Fixed Assets</b>									
Gross Block	100,000,000.0	100,000,000.0	103,250,000.0	107,400,000.0	118,615,000.0	128,115,000.0	140,115,000.0	150,165,000.0	
Additions during the year	-	3,250,000.0	4,150,000.0	11,215,000.0	9,500,000.0	12,000,000.0	10,050,000.0	13,850,000.0	
Depreciation till Date	1,254,166.7	16,539,375.0	30,197,468.8	43,282,498.4	55,786,938.7	68,291,399.4	80,059,351.6	92,222,231.3	
<b>Net Block</b>	<b>98,745,833.3</b>	<b>86,710,625.0</b>	<b>77,202,531.3</b>	<b>75,332,501.6</b>	<b>72,328,061.3</b>	<b>71,823,600.6</b>	<b>70,105,648.4</b>	<b>71,792,768.7</b>	
<b>B. Current Assets</b>									
Cash & Bank Balance	245,766,498.4	275,291,468.5	410,531,897.1	588,468,067.0	809,282,233.2	1,050,967,277.7	1,314,133,749.9	1,595,342,341.9	
Trade Receivables	6,210,000.0	196,487,083.3	286,910,652.7	356,486,485.9	400,784,244.1	446,072,863.7	499,134,065.8	550,295,307.5	
Raw Material Stock	10,125,000.0	79,587,123.3	109,489,142.5	130,170,424.9	137,980,650.4	146,259,489.5	155,035,058.8	162,786,811.8	
WIP Stock	250,015.6	5,025,482.1	7,449,241.9	9,614,093.3	10,993,935.7	12,566,699.2	14,230,782.7	15,820,367.7	
Finished Goods / Stock In Trade	1,150,071.9	23,963,131.8	35,667,489.8	46,483,705.2	53,933,740.3	62,214,777.7	71,111,728.6	80,182,343.6	
Advance Tax	-	46,287,625.4	71,497,991.7	86,156,185.2	96,110,984.6	104,434,283.4	115,501,532.3	123,224,277.9	
Other Current Assets	2,202,675.0	4,955,446.7	5,965,536.8	6,578,670.6	7,585,498.9	7,829,071.2	8,982,870.3	9,280,417.5	
<b>Total Application of Funds</b>	<b>364,450,094.3</b>	<b>718,307,986.0</b>	<b>1,004,714,483.7</b>	<b>1,299,290,133.8</b>	<b>1,588,999,348.6</b>	<b>1,902,168,062.8</b>	<b>2,248,235,436.8</b>	<b>2,608,724,636.5</b>	

# CMA DATA

## Cash Flow Statement

Particulars	Remaining Current	Projection Years --->							
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
<b>Rs in Actual</b>									
<b>A. Cash Flow from Operating Activities</b>									
Net Profit After Tax	(2,156,150.7)	132,250,358.3	204,279,976.4	246,160,529.1	274,602,813.2	298,383,666.8	330,004,377.9	352,069,365.3	
Add: Interest Expense	310,500.0	9,824,354.2	14,345,532.6	17,824,324.3	20,039,212.2	22,303,643.2	24,956,703.3	27,514,765.4	
Add: Depreciation	1,254,166.7	15,285,208.3	13,658,093.8	13,085,029.7	12,504,440.2	12,504,460.7	11,767,952.2	12,162,879.7	
Operating Profit before Working Capital Changes	(591,484.1)	157,359,920.8	232,283,602.8	277,069,883.1	307,146,465.6	333,191,770.6	366,729,033.4	391,747,010.4	
(Increase)/Decrease in Current Assets (other than Cash)	(19,937,762.5)	(336,368,130.1)	(160,674,162.8)	(118,509,509.9)	(71,899,488.9)	(71,988,130.5)	(84,618,854.0)	(77,593,487.4)	
Increase/(Decrease) in Current Liabilities (other than WC loan)	10,706,745.0	80,344,304.2	35,724,130.5	21,818,079.3	12,523,531.3	11,260,858.9	5,154,854.2	(683,345.2)	
	<b>(9,822,501.6)</b>	<b>(98,663,905.0)</b>	<b>107,333,570.4</b>	<b>180,378,452.6</b>	<b>247,770,508.1</b>	<b>272,464,499.1</b>	<b>287,265,033.6</b>	<b>313,470,177.7</b>	
<b>B. Cash Flow from Financing Activities</b>									
Interest Expense	(310,500.0)	(9,824,354.2)	(14,345,532.6)	(17,824,324.3)	(20,039,212.2)	(22,303,643.2)	(24,956,703.3)	(27,514,765.4)	
Term Loan Taken/ (Repaid)	-	-	-	-	-	-	-	-	
Working Capital Loan Taken / (Repaid)	5,899,500.0	180,763,229.2	85,902,390.9	66,097,041.6	42,082,870.3	43,024,188.6	50,408,141.9	48,603,179.7	
Loan from Friends & Family	-	-	-	-	-	-	-	-	
Capital Introduced / (Drawings)	350,000,000.0	(39,500,000.0)	(39,500,000.0)	(39,500,000.0)	(39,500,000.0)	(39,500,000.0)	(39,500,000.0)	(39,500,000.0)	
Subsidy Received	-	-	-	-	-	-	-	-	
	<b>355,589,000.0</b>	<b>131,438,875.0</b>	<b>32,056,858.2</b>	<b>8,772,717.3</b>	<b>(17,456,341.9)</b>	<b>(18,779,454.6)</b>	<b>(14,048,561.4)</b>	<b>(18,411,585.7)</b>	
<b>C. Cash Flow from Investing Activities</b>									
Purchase of Fixed Assets	(100,000,000.0)	(3,250,000.0)	(4,150,000.0)	(11,215,000.0)	(9,500,000.0)	(12,000,000.0)	(10,050,000.0)	(13,850,000.0)	
<b>Total Cash Inflow/ (Outflow) (A+B+C)</b>	<b>245,766,498.4</b>	<b>29,524,970.0</b>	<b>135,240,428.7</b>	<b>177,936,169.9</b>	<b>220,814,166.2</b>	<b>241,685,044.5</b>	<b>263,166,472.2</b>	<b>281,208,592.0</b>	
Add Opening Cash Balance	-	245,766,498.4	275,291,468.5	410,531,897.1	588,468,067.0	809,282,233.2	1,050,967,277.7	1,314,133,749.9	
<b>Closing Cash Balance</b>	<b>245,766,498.4</b>	<b>275,291,468.5</b>	<b>410,531,897.1</b>	<b>588,468,067.0</b>	<b>809,282,233.2</b>	<b>1,050,967,277.7</b>	<b>1,314,133,749.9</b>	<b>1,595,342,341.9</b>	

# CMA DATA

## Key Ratios & Feasibility

Particulars	Remaining Current	Projection Years --->							
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
<b>Long-term Solvency Ratios</b>									
Debt Equity Ratio		0.02	0.42	0.45	0.42	0.36	0.32	0.30	0.27
Debt Ratio		0.02	0.26	0.27	0.26	0.24	0.22	0.21	0.20
TOL/TNW		0.05	0.63	0.66	0.60	0.52	0.46	0.41	0.37
Interest Coverage		-1.90	21.25	21.73	20.92	20.66	20.14	19.84	19.21
<b>Short-term Solvency Ratios</b>									
Current Ratio		16.00	2.27	2.32	2.51	2.80	3.07	3.34	3.63
Quick Ratio or Liquid Ratio		15.17	1.70	1.75	1.94	2.23	2.51	2.78	3.07
Cash Ratio		14.80	0.99	1.03	1.21	1.49	1.76	2.02	2.28
<b>Profitability Ratios</b>									
Gross Profit Margin		33.3%	26.2%	26.7%	26.4%	27.0%	27.1%	27.6%	27.7%
EBIDTA Margin		-8.6%	22.1%	23.8%	24.0%	24.9%	25.5%	26.4%	26.8%
Net Profit Margin		-31.2%	14.0%	15.6%	15.9%	16.5%	16.9%	17.6%	17.9%
Return on Equity (ROE) = (PAT / Total Equity)		-0.6%	30.0%	33.7%	30.3%	26.2%	22.8%	20.7%	18.4%
Return on Equity (Other than cash balance) = (PAT-treasury income) / ( Total Equity - cash in hand)		-2.3%	76.7%	101.1%	105.4%	109.2%	109.3%	108.0%	102.4%
Dividend Payout		0.0%	29.9%	19.3%	16.0%	14.4%	13.2%	12.0%	11.2%
Return on Assets (other than cash)		-1.8%	29.9%	34.4%	34.6%	35.2%	35.1%	35.3%	34.7%
<b>Growth Ratios (Annualised)</b>									
Sales/ Revenue Growth (Annualised)			1139.1%	139.1%	118.3%	107.1%	106.0%	106.6%	105.0%
EBIDTA Growth			N/A	149.3%	119.6%	111.0%	108.5%	110.2%	106.8%
<b>Activity Ratios (on closing value)</b>									
Debtors Turnover (days)		27.00	76.04	79.84	83.84	88.03	92.43	97.05	101.90
Sundry Creditors (days)		15.00	15.21	15.21	15.21	15.21	15.21	12.17	9.13
Inventory Turnover (days)*		75.16	56.93	57.96	59.55	61.02	62.83	64.57	66.26
Other Current Assets (days)		15.00	16.73	18.40	18.40	20.24	20.24	22.27	22.27
Other Current Liabilities (days)		21.00	30.42	24.33	18.25	15.21	12.17	12.17	10.65
Fixed Assets to Turnover Ratio		0.07	10.88	16.99	20.60	22.98	24.53	26.78	27.45

\*Closing Inventory value considered

# CMA DATA

## Maximum Permissible Bank Finance (MPBF) Calculation

Particulars	Remaining Current	Projection Years --->							Rs in Actual
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
Total Current Assets (A)	265,704,260.9	631,597,361.0	927,511,952.5	1,223,957,632.2	1,516,671,287.2	1,830,344,462.2	2,178,129,788.4	2,536,931,867.8	
Total Current Liabilities (other than Bank Borrowing) (B)	7,623,000.0	82,041,146.2	118,886,866.6	142,068,957.6	155,417,692.8	167,671,971.6	172,624,166.4	172,412,103.2	
<b>Working Capital Gap (C=A-B)</b>	<b>258,081,260.9</b>	<b>549,556,214.8</b>	<b>808,625,085.9</b>	<b>1,081,888,674.6</b>	<b>1,361,253,594.5</b>	<b>1,662,672,490.6</b>	<b>2,005,505,622.0</b>	<b>2,364,519,764.6</b>	
<b>1st Method of Lending</b>									
Minimum Stipulated Net Working Capital (D=25% of C)	64,520,315.2	137,389,053.7	202,156,271.5	270,472,168.6	340,313,398.6	415,668,122.6	501,376,405.5	591,129,941.2	
<b>MPBF 1st method (C-D)</b>	<b>193,560,945.7</b>	<b>412,167,161.1</b>	<b>606,468,814.4</b>	<b>811,416,505.9</b>	<b>1,020,940,195.9</b>	<b>1,247,004,367.9</b>	<b>1,504,129,216.5</b>	<b>1,773,389,823.5</b>	
<b>2nd Method of Lending</b>									
Minimum Stipulated Net Working Capital (E=25% of A)	66,426,065.2	157,899,340.3	231,877,988.1	305,989,408.1	379,167,821.8	457,586,115.5	544,532,447.1	634,232,967.0	
<b>MPBF 2nd method (C-E)</b>	<b>191,655,195.7</b>	<b>391,656,874.5</b>	<b>576,747,097.8</b>	<b>775,899,266.5</b>	<b>982,085,772.7</b>	<b>1,205,086,375.0</b>	<b>1,460,973,174.9</b>	<b>1,730,286,797.7</b>	
<b>Percentage of Sales method</b>									
Gross Revenue / Sales	6,900,000.0	943,138,000.0	1,311,591,555.0	1,552,050,006.8	1,661,819,995.1	1,761,529,194.8	1,877,206,085.3	1,971,066,389.5	
<b>MPBF - 25% of Sales</b>	<b>1,725,000.0</b>	<b>235,784,500.0</b>	<b>327,897,888.8</b>	<b>388,012,501.7</b>	<b>415,454,998.8</b>	<b>440,382,298.7</b>	<b>469,301,521.3</b>	<b>492,766,597.4</b>	
<b>Actual Working Capital Loan O/s</b>	<b>5,899,500.0</b>	<b>186,662,729.2</b>	<b>272,565,120.0</b>	<b>338,662,161.6</b>	<b>380,745,031.9</b>	<b>423,769,220.5</b>	<b>474,177,362.5</b>	<b>522,780,542.1</b>	

# IRR Calculation

Particulars	Remaining Current	Projection Years --->							Rs in Actual
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
EBIT	(1,845,650.7)	193,505,407.4	298,067,722.0	359,713,948.1	401,432,008.3	436,725,402.6	483,296,117.0	516,499,995.0	
Less Tax	-	51,430,694.9	79,442,213.0	95,729,094.7	106,789,982.9	116,038,092.6	128,335,035.8	136,915,864.3	
NOPAT	(1,845,650.7)	142,074,712.5	218,625,509.0	263,984,853.4	294,642,025.4	320,687,309.9	354,961,081.1	379,584,130.7	
Add Depreciation	1,254,166.7	15,285,208.3	13,658,093.8	13,085,029.7	12,504,440.2	12,504,460.7	11,767,952.2	12,162,879.7	
<b>Operating Cash Inflows</b>	<b>(591,484.1)</b>	<b>157,359,920.8</b>	<b>232,283,602.8</b>	<b>277,069,883.1</b>	<b>307,146,465.6</b>	<b>333,191,770.6</b>	<b>366,729,033.4</b>	<b>391,747,010.4</b>	
Less Capex	(100,000,000.0)	(3,250,000.0)	(4,150,000.0)	(11,215,000.0)	(9,500,000.0)	(12,000,000.0)	(10,050,000.0)	(13,850,000.0)	
Less increase in NWC (Other than Cash & Investment)	(9,231,017.5)	(256,023,825.8)	(124,950,032.3)	(96,691,430.6)	(59,375,957.5)	(60,727,271.6)	(79,463,999.8)	(78,276,832.6)	
<b>Unlevered FCF</b>	<b>(109,822,501.6)</b>	<b>(101,913,905.0)</b>	<b>103,183,570.4</b>	<b>169,163,452.6</b>	<b>238,270,508.1</b>	<b>260,464,499.1</b>	<b>277,215,033.6</b>	<b>299,620,177.7</b>	

IRR **59.2%**

# NPV / NPW & BCR Calculation

## Discounting Rate Working

	Weight	Cost
Debt	0%	8.06% After Tax Rate
Equity	100%	16.50% Govt Repo Rate of 6.50% + Equity Risk Premium 10%)
<b>Effective Discount Rate</b>	<b>100%</b>	<b>16.50%</b>

Particulars	Remaining Current	Projection Years --->						
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Year	0	1	2	3	4	5	6	7
Operating Cash Inflows (as calculated in IRR table)	(591,484.1)	157,359,920.8	232,283,602.8	277,069,883.1	307,146,465.6	333,191,770.6	366,729,033.4	391,747,010.4
<b>Present Value of Cash Inflows</b>	<b>(591,484.1)</b>	<b>135,072,893.4</b>	<b>171,145,980.0</b>	<b>175,231,244.5</b>	<b>166,740,776.9</b>	<b>155,261,808.2</b>	<b>146,686,363.3</b>	<b>134,500,597.4</b>
<b>Total Cash Inflows at Present Value (A)</b>				<b>1,084,048,179.7</b>				
Cash Outflows (Capex + Changes in NWC)	(109,231,017.5)	(259,273,825.8)	(129,100,032.3)	(107,906,430.6)	(68,875,957.5)	(72,727,271.6)	(89,513,999.8)	(92,126,832.6)
<b>Present Value of Cash Outflows</b>	<b>(109,231,017.5)</b>	<b>(222,552,640.2)</b>	<b>(95,120,582.3)</b>	<b>(68,244,797.7)</b>	<b>(37,390,730.3)</b>	<b>(33,889,695.6)</b>	<b>(35,804,318.5)</b>	<b>(31,630,398.4)</b>
<b>Total Cash Outflows at Present Value (B)</b>				<b>(633,864,180.5)</b>				
<b>Net Present Value / Net Present Worth (A-B)</b>				<b>450,183,999.2</b>				
<b>Benefit-Cost Ratio (BCR) (A/B)</b>				<b>1.71</b>				

# Break Even Sales

The term "break-even sales" refers to the sales value at which a company earns no profit no loss. In other words, the break-even sales are the amount of revenue that precisely covers the fixed expenses and the variable expenses of a business

Particulars	Remaining Current	Projection Years --->							Rs in Actual
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
<b>Revenue Income / Gross Sales (A)</b>		<b>6,900,000.0</b>	<b>943,138,000.0</b>	<b>1,311,591,555.0</b>	<b>1,552,050,006.8</b>	<b>1,661,819,995.1</b>	<b>1,761,529,194.8</b>	<b>1,877,206,085.3</b>	<b>1,971,066,389.5</b>
Variable Costs		4,600,287.5	696,080,893.6	961,045,363.7	1,141,672,344.3	1,213,737,337.8	1,284,094,773.2	1,358,872,021.9	1,425,565,612.2
<b>Gross Profit (B)</b>		<b>2,299,712.5</b>	<b>247,057,106.4</b>	<b>350,546,191.3</b>	<b>410,377,662.4</b>	<b>448,082,657.3</b>	<b>477,434,421.6</b>	<b>518,334,063.4</b>	<b>545,500,777.3</b>
Other Costs		3,198,475.0	46,099,296.0	49,155,046.7	52,642,363.7	55,225,461.0	56,260,190.2	58,943,567.0	60,730,327.1
Depreciation		1,254,166.7	15,285,208.3	13,658,093.8	13,085,029.7	12,504,440.2	12,504,460.7	11,767,952.2	12,162,879.7
Interest Cost		310,500.0	9,824,354.2	14,345,532.6	17,824,324.3	20,039,212.2	22,303,643.2	24,956,703.3	27,514,765.4
<b>Total Fixed Cost (C)</b>		<b>4,763,141.7</b>	<b>71,208,858.5</b>	<b>77,158,673.1</b>	<b>83,551,717.7</b>	<b>87,769,113.4</b>	<b>91,068,294.1</b>	<b>95,668,222.5</b>	<b>100,407,972.1</b>
<b>Break Even Sales (A*C)/B</b>		<b>14,291,211.4</b>	<b>271,839,095.7</b>	<b>288,694,233.5</b>	<b>315,992,940.0</b>	<b>325,512,414.5</b>	<b>336,003,127.3</b>	<b>346,473,408.0</b>	<b>362,805,677.5</b>

# Working Capital Cycle

The Working Capital Cycle for a business is the length of time it takes to convert the total net working capital (current assets less current liabilities) into cash

Particulars	Remaining Current	Projection Years --->							
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
Inventory Days		75.2	56.9	58.0	59.6	61.0	62.8	64.6	66.3
Trade Receivable Days		27.0	76.0	79.8	83.8	88.0	92.4	97.1	101.9
Other Current Asset Days		15.0	16.7	18.4	18.4	20.2	20.2	22.3	22.3
<b>Total (A)</b>		<b>117.2</b>	<b>149.7</b>	<b>156.2</b>	<b>161.8</b>	<b>169.3</b>	<b>175.5</b>	<b>183.9</b>	<b>190.4</b>
Trade Payable Days		15.0	15.2	15.2	15.2	15.2	15.2	12.2	9.1
Bill Discounting Loan Days		25.7	72.2	75.9	79.6	83.6	87.8	92.2	96.8
Other Current Liabilities Days		21.0	30.4	24.3	18.3	15.2	12.2	12.2	10.6
<b>Total (B)</b>		<b>61.7</b>	<b>117.9</b>	<b>115.4</b>	<b>113.1</b>	<b>114.0</b>	<b>115.2</b>	<b>116.5</b>	<b>116.6</b>
<b>Working Capital Cycle Days (A-B)</b>		<b>55.5</b>	<b>31.8</b>	<b>40.8</b>	<b>48.7</b>	<b>55.2</b>	<b>60.3</b>	<b>67.4</b>	<b>73.9</b>

An increasing trend in working capital cycle is assumed for future growth in sales and increase in profitability. M/s PVC Expert (Name Changed) plans to increase its Sales growth by offering better credit terms to buyers as well as stock more inventory. On other hand by paying of its creditors and payables faster, it is expected that better pricing and discount will be available which will help in improving profit margins.

# SWOT Analysis

The Business Owners have done indepth brainstorming for the business firm, M/s PVC Expert (Name Changed), for starting business of PVC Synthetic Leathers manufacturing. Below is a SWOT analysis that is prepared mainly to analyze our business advantage and define the weaknesses that we have to address & improve upon. Further, we have also identified the opportunities that we can take advantage of & detected potential risks that we have to avoid.

## STRENGTHS

1. State-of-the-Art Manufacturing Facility – ₹75 crore investment in a cutting-edge PVC synthetic leather plant in Sonipat ensures high production efficiency and scalability.
2. Large Production Capacity – Ability to produce 25,000 meters per day, meeting high demand across multiple industries.
3. Diverse Applications – Serving automotive, furniture, fashion, and industrial sectors, ensuring business stability.
4. Sustainability & Compliance – Focus on eco-friendly synthetic leather alternatives, meeting global standards for sustainability.

## WEAKNESSES

1. High Initial Investment – Requires significant capital before reaching full profitability.
2. Dependence on Raw Material Imports – Potential risks due to fluctuating global prices of PVC and other synthetic compounds.
3. Brand Recognition – As a new player in the market, needs aggressive marketing and brand-building efforts.

## OPPORTUNITIES

1. Rising Demand for Synthetic Leather – The shift towards vegan and sustainable alternatives is opening new markets worldwide.
2. Growth in Key Sectors – Automotive, furniture, and fashion industries are expanding, increasing demand for high-quality synthetic leather.
3. Export Potential – India's manufacturing advantage and increasing global restrictions on real leather create a lucrative export market.
4. Government Support – Incentives for Make in India and sustainable manufacturing can boost production and sales.

## THREATS

1. Competition from Established Players – Larger companies have strong brand loyalty and distribution networks.
2. Raw Material Price Volatility – Fluctuations in petroleum-based raw materials can impact production costs.

## OUR ACTION PLAN

### To Overcome Weakness

Leverage strengths by marketing high production capacity and eco-friendly solutions.  
Address weaknesses by building brand awareness and securing raw material supply chains.

### To Overcome Threats

Capitalize on opportunities through export expansion, government incentives, and market growth trends.  
Mitigate threats by diversifying raw material sourcing, improving cost efficiency, and staying ahead of industry regulations.

# Depreciation Schedule

Rs in Actual

Asset Head	Remaining Current	Projection Years ---->							
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
<b>Land - Depreciation Rate 0%</b>									
Opening WDV	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Closing WDV	-	-	-	-	-	-	-	-	-
<b>Building, Shed, Interior Work - Depreciation Rate 10%</b>									
Opening WDV	-	-	-	900,000.0	2,160,000.0	2,394,000.0	4,404,600.0	4,594,140.0	
Additions	-	-	1,000,000.0	1,500,000.0	500,000.0	2,500,000.0	700,000.0	3,000,000.0	
Depreciation	-	-	100,000.0	240,000.0	266,000.0	489,400.0	510,460.0	759,414.0	
Closing WDV	-	-	900,000.0	2,160,000.0	2,394,000.0	4,404,600.0	4,594,140.0	6,834,726.0	
<b>Machinery &amp; Equipments - Depreciation Rate 15%</b>									
Opening WDV	-	88,875,000.0	75,968,750.0	65,848,437.5	62,771,171.9	57,605,496.1	54,914,671.7	49,652,470.9	
Additions	90,000,000.0	500,000.0	1,500,000.0	8,000,000.0	5,000,000.0	7,000,000.0	3,500,000.0	4,500,000.0	
Depreciation	1,125,000.0	13,406,250.0	11,620,312.5	11,077,265.6	10,165,675.8	9,690,824.4	8,762,200.8	8,122,870.6	
Closing WDV	88,875,000.0	75,968,750.0	65,848,437.5	62,771,171.9	57,605,496.1	54,914,671.7	49,652,470.9	46,029,600.3	
<b>Computers, Printers, Servers, etc- Depreciation Rate 40%</b>									
Opening WDV	-	193,333.3	116,000.0	369,600.0	221,760.0	133,056.0	529,833.6	317,900.2	
Additions	200,000.0	-	500,000.0	-	-	750,000.0	-	900,000.0	
Depreciation	6,666.7	77,333.3	246,400.0	147,840.0	88,704.0	353,222.4	211,933.4	487,160.1	
Closing WDV	193,333.3	116,000.0	369,600.0	221,760.0	133,056.0	529,833.6	317,900.2	730,740.1	
<b>Furniture, Fittings, Racks- Depreciation Rate 10%</b>									
Opening WDV	-	-	-	-	1,350,000.0	1,215,000.0	1,093,500.0	2,784,150.0	
Additions	-	-	-	1,500,000.0	-	-	2,000,000.0	-	
Depreciation	-	-	-	150,000.0	135,000.0	121,500.0	309,350.0	278,415.0	
Closing WDV	-	-	-	1,350,000.0	1,215,000.0	1,093,500.0	2,784,150.0	2,505,735.0	
<b>Electrification &amp; Backup- Depreciation Rate 10%</b>									
Opening WDV	-	-	2,250,000.0	2,025,000.0	1,822,500.0	1,640,250.0	1,476,225.0	4,478,602.5	
Additions	-	2,500,000.0	-	-	-	-	3,500,000.0	-	
Depreciation	-	250,000.0	225,000.0	202,500.0	182,250.0	164,025.0	497,622.5	447,860.3	
Closing WDV	-	2,250,000.0	2,025,000.0	1,822,500.0	1,640,250.0	1,476,225.0	4,478,602.5	4,030,742.3	
<b>Installation charge, Shipping, etc- Depreciation Rate 15%</b>									
Opening WDV	-	7,208,750.0	6,127,437.5	5,335,821.9	4,705,448.6	4,424,631.3	3,930,936.6	3,638,796.1	
Additions	7,300,000.0	-	150,000.0	200,000.0	500,000.0	200,000.0	350,000.0	450,000.0	
Depreciation	91,250.0	1,081,312.5	941,615.6	830,373.3	780,817.3	693,694.7	642,140.5	613,319.4	
Closing WDV	7,208,750.0	6,127,437.5	5,335,821.9	4,705,448.6	4,424,631.3	3,930,936.6	3,638,796.1	3,475,476.7	
<b>Vehicle for Business use- Depreciation Rate 15%</b>									
Opening WDV	-	2,468,750.0	2,098,437.5	1,783,671.9	1,516,121.1	4,263,702.9	3,624,147.5	3,080,525.4	
Additions	2,500,000.0	-	-	-	3,500,000.0	-	-	5,000,000.0	
Depreciation	31,250.0	370,312.5	314,765.6	267,550.8	752,418.2	639,555.4	543,622.1	1,212,078.8	
Closing WDV	2,468,750.0	2,098,437.5	1,783,671.9	1,516,121.1	4,263,702.9	3,624,147.5	3,080,525.4	6,868,446.6	
<b>Software, Website, App Development - Depreciation Rate 40 %</b>									
Opening WDV	-	-	150,000.0	90,000.0	63,000.0	37,800.0	52,680.0	31,608.0	
Additions	-	250,000.0	-	15,000.0	-	50,000.0	-	-	
Depreciation	-	100,000.0	60,000.0	42,000.0	25,200.0	35,120.0	21,072.0	12,643.2	
Closing WDV	-	150,000.0	90,000.0	63,000.0	37,800.0	52,680.0	31,608.0	18,964.8	
<b>Livestock, Farm Animals, Etc - Depreciation Rate 15 %</b>									
Opening WDV	-	-	-	-	-	-	-	-	
Additions	-	-	-	-	-	-	-	-	
Depreciation	-	-	-	-	-	-	-	-	
Closing WDV	-	-	-	-	-	-	-	-	
<b>Other Capital Expenditure- Depreciation Rate 15%</b>									
Opening WDV	-	-	-	850,000.0	722,500.0	614,125.0	1,797,006.3	1,527,455.3	
Additions	-	-	1,000,000.0	-	-	1,500,000.0	-	-	
Depreciation	-	-	150,000.0	127,500.0	108,375.0	317,118.8	269,550.9	229,118.3	
Closing WDV	-	-	850,000.0	722,500.0	614,125.0	1,797,006.3	1,527,455.3	1,298,337.0	
<b>Total Fixed Assets</b>									
Opening WDV	-	98,745,833.3	86,710,625.0	77,202,531.3	75,332,501.6	72,328,061.3	71,823,600.6	70,105,648.4	
Additions	100,000,000.0	3,250,000.0	4,150,000.0	11,215,000.0	9,500,000.0	12,000,000.0	10,050,000.0	13,850,000.0	
Depreciation	1,254,166.7	15,285,208.3	13,658,093.8	13,085,029.7	12,504,440.2	12,504,460.7	11,767,952.2	12,162,879.7	
Closing WDV	98,745,833.3	86,710,625.0	77,202,531.3	75,332,501.6	72,328,061.3	71,823,600.6	70,105,648.4	71,792,768.7	

# Sensitivity Analysis

## Scenario 1

**Decrease in Sales/Revenue by 7%**

Particulars	Remaining Current	Projection Years --->							Rs in Actual
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
Revenue Income / Gross Sales	6,417,000.0	877,118,340.0	1,219,780,146.2	1,443,406,506.3	1,545,492,595.5	1,638,222,151.2	1,745,801,659.3	1,833,091,742.3	
EBITDA	(1,381,762.5)	134,938,150.4	209,579,735.8	249,091,798.2	276,529,796.7	297,867,187.8	327,986,070.5	346,795,803.0	
EBIT	(2,635,929.2)	119,652,942.0	195,921,642.0	236,006,768.5	264,025,356.4	285,362,727.1	316,218,118.2	334,632,923.3	
Profit Before Tax	(2,946,429.2)	109,828,587.9	181,576,109.4	218,182,444.2	243,986,144.2	263,059,083.9	291,261,415.0	307,118,157.9	

## Scenario 2

**Increase in Variable Cost 7%**

Particulars	Remaining Current	Projection Years --->							Rs in Actual
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
Revenue Income / Gross Sales	6,900,000.0	943,138,000.0	1,311,591,555.0	1,552,050,006.8	1,661,819,995.1	1,761,529,194.8	1,877,206,085.3	1,971,066,389.5	
EBITDA	(1,220,782.6)	152,232,147.8	234,117,969.2	277,818,234.6	307,895,582.7	331,287,597.3	364,269,454.9	384,980,857.4	
EBIT	(2,474,949.3)	136,946,939.5	220,459,875.4	264,733,204.9	295,391,142.4	318,783,136.6	352,501,502.7	372,817,977.7	
Profit Before Tax	(2,785,449.3)	127,122,585.3	206,114,342.8	246,908,880.6	275,351,930.2	296,479,493.4	327,544,799.4	345,303,212.4	

## Scenario 3

**Increase in Fixed Cost (other than Depreciation) 7%**

Particulars	Remaining Current	Projection Years --->							Rs in Actual
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
Revenue Income / Gross Sales	6,900,000.0	943,138,000.0	1,311,591,555.0	1,552,050,006.8	1,661,819,995.1	1,761,529,194.8	1,877,206,085.3	1,971,066,389.5	
EBITDA	(1,122,655.8)	197,730,859.65	297,950,291.37	354,050,333.20	388,991,414.05	417,236,018.13	455,264,446.77	480,519,327.36	
EBIT	(2,376,822.4)	182,445,651.31	284,292,197.62	340,965,303.51	376,486,973.81	404,731,557.44	443,496,494.53	468,356,447.69	
Profit Before Tax	(2,687,322.4)	172,621,297.1	269,946,665.0	323,140,979.2	356,447,761.6	382,427,914.2	418,539,791.2	440,841,682.3	

# Assumptions Used

Apart from the assumptions & methodology stated elsewhere in the report, below are the main assumptions considered in preparation of this project report

## Operational Capacity

It is assumed that post investment of loan funds into business, the business would reach its optimum capacity in the following manner.

	Current Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Expenses Capacity of Business	25%	90%	95%	100%	100%	100%	100%	100%

## Estimated Sales

Over the years the Daily sales are estimated at an trend as shown below. The trend in sales is mainly after considering change in operational capacity, and it is assumed that after our product/service is established in the market, we will be able to command premium due to Business Goodwill

	Current Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Estimated Daily Sales	230,000	2,583,940	3,593,402	4,252,192	4,552,931	4,826,107	5,143,030	5,400,182

## Estimated Expenses

Based on the working experience and market study, the Promoters have assumed that at 100% operational capacity, following expenses would be incurred

Particulars	Monthly Cost at current prices	Expense Nature Assumed
Purchases (Stock, packing material, etc)	75,000,000	Variable
Rent & Lease Cost	400,000	Fixed
Salary & Wages	4,985,000	Semi Variable
Electricity, Fuel & Water	2,000,000	Variable
Transportation	1,000,000	Variable
Phone, Postage & Internet	15,000	Fixed
Advertising & Marketing	500,000	Fixed
Repair & Maintenance	90,000	Fixed
Insurance expenses	45,000	Fixed
Consumables, Spares, etc	75,000	Variable
Other Expenses	30,000	Fixed
Wastage & Spoilage	1,300,000	Variable
Staff Welfare	35,000	Fixed
Travelling & Conveyance	90,000	Variable
Audit & Compliance	50,000	Fixed
<b>Total</b>	<b>₹ 85,615,000</b>	

## Current Year Period

For the Current Period, the projections worked out are for the balance period of 2 month(s)

# Assumptions Used

## Adjustment for Inflation

In Sales & Expenses, both, nominal adjustment for price increase due to inflation is made

## Other Income (available Cash & Bank Balance)

We have not considered effect of Treasury income (like interest, dividend, scrap sale, etc) in the Break-Even and Sensitivity Analysis as we wanted to show the impact purely from the core business activities only.

## Line of Business & Taxation

The financial projections are purely made considering the entity will continue to operate in the same line of business and effect of addition of any other product / service line is not considered. The income tax is calculated assuming that the business profits are the only source of income for the entity

## Bill Discounting

It is assumed that all the sales will be made on credit and the said invoices will be discounted with Bank @ 5% p.a. interest

## Treasury Income

Interest Income @ 3% p.a. is considered on average Cash In Hand during the year

## Conclusion

M/s PVC Expert (Name Changed) setting and expanding business in Mumbai will allow the firm to offer their products and services to more people who need it. As per the financial projections, it is expected that the Business will comfortably reach below state at the end of 7 years

Gross Profit Margin	28%
Net Profit Margin	18%

M/s PVC Expert (Name Changed), to conclude wants to run the business of PVC Synthetic Leathers manufacturing as a going concern for years and years. The Business Entity has already made lot of efforts in reviewing the technical viability of the business, as well as making the financial projections. The entity will make continuous efforts in running a profitable & growing business. Thus with your financial help, we can positively impact the community by providing better products & services as well as create more employment opportunities to the locals

## END OF REPORT

Contact Person	Sushil Mehta
Contact Number	999xxxxxx

# Annexure 1

## Proposed Organisation Structure

Department	Designation	No. of Employees	Avg. Monthly Salary (₹)	Total Monthly Salary (₹)	Key Responsibilities
Top Management	Managing Director (Director 1)	1	500,000	500,000	Strategic planning, decision-making, overall business oversight
	Technical Director (Director 2)	1	400,000	400,000	Oversees production, R&D, and quality control
Operations & Production	Plant Head	1	275,000	275,000	Overall plant management, production planning, and efficiency
	Production Manager	2	75,000	150,000	Supervises manufacturing process, optimizes production flow
	Quality Control Head	1	60,000	60,000	Ensures product quality, compliance with industry standards
	Quality Inspectors	4	40,000	160,000	Conducts inspections, testing, and reports defects
	Shift Supervisors	6	45,000	270,000	Oversees shift operations, ensures safety and productivity
	Machine Operators	10	25,000	250,000	Operates PVC synthetic leather machinery
	Factory Workers	40	17,500	700,000	Handles raw materials, packaging, loading/unloading
	R&D and Technical	R&D Head	1	250,000	250,000
Chemical Engineers		4	35,000	140,000	Formulation and process improvement
Lab Technicians		3	45,000	135,000	Conducts material testing and quality assessment
Finance & HR	CFO	1	300,000	300,000	Financial planning, budgeting, compliance
	HR Manager	1	45,000	45,000	Recruitment, employee management, payroll processing
	Accounts & Admin	5	35,000	175,000	Manages finances, bookkeeping, audits
Sales & Marketing	Sales Head	1	200,000	200,000	Oversees sales strategy, key accounts, growth planning
	Regional Sales Managers	3	105,000	315,000	Expands market reach, develops client relationships
	Marketing Executives	5	50,000	250,000	Manages digital & offline marketing, branding
Supply Chain & Logistics	Logistics Head	1	100,000	100,000	Manages raw material procurement, inventory control
	Warehouse Managers	2	50,000	100,000	Handles stock management, dispatch planning
	Dispatch Supervisors	4	30,000	120,000	Ensures smooth logistics, delivery coordination
	Truck Drivers	3	30,000	90,000	Handles transportation and distribution
		<b>100</b>		<b>4,985,000</b>	

# Annexure 2

## Changes in Inventory Working

Rs in Actual

Particulars	Remaining Current	Projection Years --->							
	Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
<b>Opening Inventory</b>									
Raw Material	-	10,125,000.0	79,587,123.3	109,489,142.5	130,170,424.9	137,980,650.4	146,259,489.5	155,035,058.8	
Work in Process	-	250,015.6	5,025,482.1	7,449,241.9	9,614,093.3	10,993,935.7	12,566,699.2	14,230,782.7	
Finished Goods	-	1,150,071.9	23,963,131.8	35,667,489.8	46,483,705.2	53,933,740.3	62,214,777.7	71,111,728.6	
<b>Total Opening Inventory (A)</b>	-	<b>11,525,087.5</b>	<b>108,575,737.2</b>	<b>152,605,874.1</b>	<b>186,268,223.5</b>	<b>202,908,326.4</b>	<b>221,040,966.3</b>	<b>240,377,570.1</b>	
<b>Closing Inventory</b>									
Raw Material	10,125,000.0	79,587,123.3	109,489,142.5	130,170,424.9	137,980,650.4	146,259,489.5	155,035,058.8	162,786,811.8	
Work in Process	250,015.6	5,025,482.1	7,449,241.9	9,614,093.3	10,993,935.7	12,566,699.2	14,230,782.7	15,820,367.7	
Finished Goods	1,150,071.9	23,963,131.8	35,667,489.8	46,483,705.2	53,933,740.3	62,214,777.7	71,111,728.6	80,182,343.6	
<b>Total Closing Inventory (B)</b>	<b>11,525,087.5</b>	<b>108,575,737.2</b>	<b>152,605,874.1</b>	<b>186,268,223.5</b>	<b>202,908,326.4</b>	<b>221,040,966.3</b>	<b>240,377,570.1</b>	<b>258,789,523.0</b>	
<b>Changes in Inventory (A-B)</b>	<b>(11,525,087.5)</b>	<b>(97,050,649.7)</b>	<b>(44,030,137.0)</b>	<b>(33,662,349.4)</b>	<b>(16,640,102.9)</b>	<b>(18,132,639.8)</b>	<b>(19,336,603.9)</b>	<b>(18,411,952.9)</b>	