

**Company Name: Kozhikode Flatbreads.**

---

**Company Profile:**

Industry: Semi-automatic Chapati/Kerala Paratha Plant –

Chapati/Kerala Paratha is a well-known staple in society. The essential ingredients of chapati/Paratha are Atta, Maida salt, and water. Shelf-life of the product products also depends upon the process of packaging, and we are using special vacuum package that **gives the products a 3-week shelf-life**. The automatic chapati making plant is profoundly lucrative with splendid market potential as well as a bright future.

Plant capacity: 1000 pcs/hr.,

Plant Located in rural Kozhikode and rent: 2000 (per month rent and 15,000 security deposit)

Machinery cost: Rs. 95,000 (model: AS-APCM-600)

Working capital: Rs. 78840



Image and price source- <https://www.indiamart.com>

<b>Assumptions</b>	
Date of commencement of company	20th December, 1991
Capital Contributed	78840
Loan from Bank @ 10% PA, interest is paid annually	118260
Fixed assets - Machinery + packaging	95000
Depreciation calculated using SLM. Useful life is 5 years	19000
Monthly Depreciation	1583.333333
Rent per Month	2000
Advance - Security Deposit	12000
Cost Per Chapati	1
Cost Per Parotta	1
Interest and part loan will be paid only once in a year	Paid on 2nd January of every year
<b>Note 1</b>	Wheat and Maida have a shelf life of 6 Months,
<b>2</b>	<b>No Tax for PBT of Rs. 100,000</b>
<b>FY92</b>	
Selling price Per Chapati	10
Selling price Per Parotta	12
Ingredients are purchased for	wheat and Maida each are purchased for Rs 1000 and Rs 1500 per quintal
<b>FY93</b>	
Selling price Per Chapati	10.5
Selling price Per Parotta	13
Ingredients are purchased for	Wheat and Maida each are purchased for Rs 1050 and Rs 1570 per quintal respectively
<b>FY94</b>	
Selling price Per Chapati	11
Selling price Per Parotta	14
Ingredients are purchased for	Wheat and Maida each are purchased for Rs 1200 and Rs 1850 per quintal respectively

Transactions for Period 1. Starting 20th December 1991 to 31st March 1992

SL No.	Date	Transaction
1	20-Dec-91	Company (Kozhikode Flatbread foods.) started with a capital of Rs. <b>78840</b>
2	02-Jan-92	The company takes a loan of <b>Rs 118260 from Swiss bank at 10% interest</b>
3	05-Jan-92	After 2 weeks of negotiation, a small go-down is selected and taken on rent at Rs 2000 per month and Rs 12000 advance (Rent is paid at the end of the month)
4	15-Jan-92	Semi-automatic Flatbread and packaging machinery arrives at the plant, purchased at <b>Rs. 95000</b>
5	15-Jan-92	Cost of transportation of machinery - <b>Rs. 1000</b>
6	17-Jan-92	Since Wheat and Maida have a shelf life of 6 Months, 2 Quintal of wheat and Maida each are purchased for <b>Rs 1000</b> and <b>Rs 1500</b> per quintal respectively on 4-month <b>credit</b> from KCargilli
7	18-Jan-92	Other ingredients (Oil & salt) are purchased for <b>Rs. 1000</b>
8	19-Jan-92	Baalmart agrees to buy 1000 Chapatis and 100 Kerala Parottas at Rs.10 and 12 respectively. Baalmart agrees to pay after 2 months
9	29-Jan-92	KKPP stores purchases 100 Chapattis and 100 Kerala parottas at Rs.10 and 12 respectively. <b>Full amount paid in cash.</b>
10	31-Jan-92	Rent paid Rs 2000
11	31-Jan-92	Salary paid to Bhalu Rs. 6000 for January
12	31-Jan-92	Depreciation of fixed asset - Machinery Rs. 1583.33
13	31-Jan-92	Electricity Bill of Rs. 1300
14	13-Feb-92	KKPP stores purchases another 2000 Chapattis and 2000 Kerala parottas at Rs.10 and 12 respectively. Full amount <b>paid in cash.</b>
15	29-Feb-92	<b>Salary paid</b> to Bhalu Rs. 6000 for February
16	29-Feb-92	<b>Depreciation</b> of fixed asset - Machinery Rs. 1583.33
17	29-Feb-92	Electricity Bill of Rs. 1300
18	01-Mar-92	Rent paid Rs 2000
19	19-Mar-92	Baalmart has credited the amount due from Transaction on 19th Jan (amount Rs. 11200)

20	20-Mar-92	Wheat and Maida have a shelf life of 6 Months, 2 Quintal of wheat and Maida each are purchased for Rs 1000 and Rs 1500 per quintal respectively on 4-month <b>credit</b> from KCargilli
21	21-Mar-92	Other ingredients (Oil & salt) are purchased for Rs. 1000, <b>paid in cash.</b>
22	22-Mar-92	Baalmart agrees to buy another 2000 Chapatis and 500 Kerala Parottas at Rs.10 and 12 respectively. <b>Baalmart agrees to pay after 2 months</b>
23	31-Mar-92	<b>Salary</b> paid to Bhalu Rs. 6000 for March
24	31-Mar-92	<b>Depreciation</b> of fixed asset - Machinery Rs. 1583.33
25	31-Mar-92	Electricity Bill of Rs. 1300
26	31-Mar-92	Rent to be paid for the month of March, but not paid Rs 2000

**Transactions for Period 2. Starting 1<sup>st</sup> April 1992 to 31<sup>st</sup> March 1993**

SL No.	Date	Transaction
27	01-Apr-92	Rent paid for the month of March on 1st April, Rs 2000
28	12-Apr-92	Baalmart agrees to buy another 2200 Chapatis and 550 Kerala Parottas at Rs.10.5 and 13 respectively. Baalmart agrees to <b>pay after 2 months</b>
29	14-Apr-92	KKPP stores purchases 200 Chapattis and 75 Kerala parottas at Rs.10.5 and 13 respectively. Full amount paid in cash.
30	20-Apr-92	4 Quintal of wheat and Maida each are purchased for <b>Rs 1050</b> and <b>Rs 1570</b> per quintal respectively on 4-month <b>credit</b> from KCargilli
31	25-Apr-92	Other ingredients (Oil & salt) are purchased for <b>Rs. 1050</b>
32	30-Apr-92	Depreciation of fixed asset - Machinery Rs. 1583.33
33	30-Apr-92	Electricity Bill of Rs. 1300
34	30-Apr-92	Rent paid Rs 2000
35	30-Apr-92	<b>Salary paid</b> to Bhalu Rs. 6000
36	17-May-92	Dues to Kcargilli paid from Jan 17th (Rs.5000)
37	22-May-92	Baalmart has credited the amount due from Transaction on 22nd March (amount Rs. 26000)

38	31-May-92	Depreciation of fixed asset - Machinery Rs. 1583.33
39	31-May-92	Electricity Bill of Rs. 1300
40	31-May-92	Rent paid Rs 2000
41	31-May-92	Salary paid to Bhalu Rs. 6000
42	12-Jun-92	Baalmart has credited the amount due from Transaction on 19th Jan (amount Rs. 30250)
43	30-Jun-92	Depreciation of fixed asset - Machinery Rs. 1583.33
44	30-Jun-92	Electricity Bill of Rs. 1300
45	30-Jun-92	Rent paid Rs 2000
46	30-Jun-92	Salary paid to Bhalu Rs. 6000
47	20-Jul-92	Dues to Kcargilli paid from March 20th (Rs.5000)
48	20-Jul-92	A 6-month intercompany investment of Rs. 20,000 has been made, rate of interest is 5% P.A.
49	31-Jul-92	Depreciation of fixed asset - Machinery Rs. 1583.33
50	31-Jul-92	Rent paid Rs 2000
51	31-Jul-92	Salary paid to Bhalu Rs. 6000
52	20-Aug-92	Dues to Kcargilli paid from April 20th (Rs.10480)
53	31-Aug-92	Depreciation of fixed asset - Machinery Rs. 1583.33
54	<b>The owner of the company suffers a Cardiac arrest and has to shut the company for 10 months</b>	
55	01-Sep-92	Inventory write-off - Rs.11655
56	30-Sep-92	Depreciation of fixed asset - Machinery Rs. 1583.33
57	31-Oct-92	Depreciation of fixed asset - Machinery Rs. 1583.33
58	30-Nov-92	Depreciation of fixed asset - Machinery Rs. 1583.33
59	31-Dec-92	Depreciation of fixed asset - Machinery Rs. 1583.33
60	02-Jan-93	Interest Rs. 11826 is Paid for Loan
61	20-Jan-93	A 6-month intercompany investment of Rs. 20,000 has matured and Rs. 20,500 has been credited.
62	31-Jan-93	Depreciation of fixed asset - Machinery Rs. 1583.33
63	28-Feb-93	Depreciation of fixed asset - Machinery Rs. 1583.33
64	31-Mar-93	Depreciation of fixed asset - Machinery Rs. 1583.33

Transactions for Period 3. Starting 1<sup>st</sup> April 1993 to 31<sup>st</sup> March 1994

88	Date	Transaction
89	30-Apr-93	Depreciation of fixed asset - Machinery Rs. 1583.33
90	31-May-93	Depreciation of fixed asset - Machinery Rs. 1583.33
91	30-Jun-93	Depreciation of fixed asset - Machinery Rs. 1583.33
92	12-Jul-93	4 Quintal of wheat and Maida each are purchased for <b>Rs 1200</b> and <b>Rs 1850</b> per quintal respectively on 4-month <b>credit</b> from KCargilli
93	12-Jul-93	Prices of other supplies have increased to <b>Rs. 1200. Paid in Cash</b>
94	17-Jul-93	Baalmart agrees to buy another 2400 Chapatis and 600 Kerala Parottas at Rs.11 and 14 respectively. Baalmart agrees to <b>pay after 2 months</b>
95	31-Jul-93	<b>Depreciation</b> of fixed asset - Machinery Rs. 1583.33
96	31-Jul-93	Electricity Bill of Rs. 1300
97	31-Jul-93	Rent paid Rs 2000
98	31-Jul-93	<b>Salary paid</b> to Bhalu Rs. 6000
99	15-Aug-93	KKPP stores purchases 220 Chapattis and 100 Kerala parottas at Rs.11 and 14 respectively. <b>Full amount paid in cash.</b>
100	31-Aug-93	<b>Depreciation</b> of fixed asset - Machinery Rs. 1583.33
101	31-Aug-93	Electricity Bill of Rs. 1300
102	31-Aug-93	Rent paid Rs 2000
103	31-Aug-93	<b>Salary paid</b> to Bhalu Rs. 6000
104	17-Sep-93	Baalmart has credited the amount due from Transaction on 17th July (amount Rs. 34800)
105	30-Sep-93	<b>Depreciation</b> of fixed asset - Machinery Rs. 1583.33
106	30-Sep-93	Rent paid Rs 2000
107	30-Sep-93	<b>Salary paid</b> to Bhalu Rs. 6000
108	10-Oct-93	Baalmart agrees to buy another 2400 Chapatis and 600 Kerala Parottas at Rs.11 and 14 respectively. Baalmart agrees to <b>pay after 2 months</b>

109	20-Oct-93	KKPP stores purchases 220 Chapattis and 100 Kerala parottas at Rs.11 and 14 respectively. <b>Full amount paid in cash.</b>
110	30-Oct-93	<b>Depreciation</b> of fixed asset - Machinery Rs. 1583.33
111	30-Oct-93	Electricity Bill of Rs. 1300
112	30-Oct-93	Rent paid Rs 2000
113	30-Oct-93	<b>Salary paid</b> to Bhalu Rs. 6000
114	12-Nov-93	Dues to Kcargilli paid from July 12th (Rs.12200)
115	30-Nov-93	<b>Depreciation</b> of fixed asset - Machinery Rs. 1583.33
116	30-Nov-93	Electricity Bill of Rs. 1300
117	30-Nov-93	Rent paid Rs 2000
118	30-Nov-93	<b>Salary paid</b> to Bhalu Rs. 6000
119	10-Dec-93	Baalmart has credited the amount due from Transaction on 10th Oct (amount Rs. 34800)
120	31-Dec-93	<b>Depreciation</b> of fixed asset - Machinery Rs. 1583.33
121	31-Dec-93	Electricity Bill of Rs. 1300
122	31-Dec-93	Rent paid Rs 2000
123	31-Dec-93	<b>Salary paid</b> to Bhalu Rs. 6000
124	02-Jan-93	Interest Rs. 11826 is Paid for Loan
125	22-Jan-93	A 6-month intercompany investment of Rs. 20,000 has been made, rate of interest is 5% P.A.
126	31-Jan-93	<b>Depreciation</b> of fixed asset - Machinery Rs. 1583.33
127	31-Jan-93	Rent paid Rs 2000
128	31-Jan-93	<b>Salary paid</b> to Bhalu Rs. 6000
129	28-Feb-93	<b>Depreciation</b> of fixed asset - Machinery Rs. 1583.33
130	28-Feb-93	Rent paid Rs 2000
131	28-Feb-93	<b>Salary paid</b> to Bhalu Rs. 6000
132	02-Mar-93	Baalmart agrees to buy another 2400 Chapatis and 600 Kerala Parottas at Rs.11 and 14 respectively. Baalmart agrees to <b>pay after 2 months</b>
133	08-Mar-93	KKPP stores purchases 220 Chapattis and 100 Kerala parottas at Rs.11 and 14 respectively. <b>Full amount paid in cash.</b>
134	14-Mar-93	4 Quintal of wheat and Maida each are purchased for <b>Rs 1250</b> and <b>Rs 1800</b> per quintal respectively on 4-month <b>credit</b> from Kcargilli

135	20-Mar-93	Baalmart agrees to buy another 2400 Chapatis and 600 Kerala Parottas at Rs.11 and 14 respectively. Baalmart agrees to <b>pay after 2 months</b>
136	26-Mar-93	KKPP stores purchases 220 Chapattis and 100 Kerala parottas at Rs.11 and 14 respectively. <b>Full amount paid in cash.</b>
137	27-Mar-93	Baalmart agrees to buy another 2400 Chapatis and 600 Kerala Parottas at Rs.11 and 14 respectively. Baalmart agrees to <b>pay after 2 months</b>
138	31-Mar-93	<b>Depreciation</b> of fixed asset - Machinery Rs. 1583.33
139	31-Mar-93	Electricity Bill of Rs. 1300
140	31-Mar-93	Rent paid Rs 2000
141	31-Mar-93	<b>Salary paid</b> to Bhalu Rs. 6000

Transactions for Period 1. Starting 20th December 1991 to 31st March 1992

SL No.	Date	Transaction	Fixed assets	Depreciation	Rent Security Deposit	Inventory	Accounts Receivable	Cash	Capital	Profit	Loan	Rent Payable	Payables
1	20-Dec-91	Company(Kozhikode Flatbread foods. ) started with a capital of Rs. <b>78840</b>						78840	78840				
2	02-Jan-92	The company takes a loan of <b>Rs 118260 from Swiss bank at 10% interest</b>						197100	78840		118260		
3	05-Jan-92	After 2 weeks of negotiation, a small godown is selected and taken on rent at Rs 2000 per month and Rs 12000 advance (Rent is paid at the end of the month)			12000			185100	78840		118260		
4	15-Jan-92	Semi automatic Flatbread and packaging machinery arrives at the plant, purchased at <b>Rs. 95000</b>	95000		12000			90100	78840		118260		
5	15-Jan-92	Cost of transportation of machinery - <b>Rs. 1000</b>	95000		12000			89100	78840	-1000	118260		
6	17-Jan-92	Since Wheat and Maida have a shelf life of 6 Months, 2 Quintal of wheat and Maida each are purchased for <b>Rs 1000</b> and <b>Rs 1500</b> per quintal respectively on 4 month <b>credit</b> from KCargilli	95000		12000	5000		89100	78840	-1000	118260		5000
7	18-Jan-92	Other ingredients(Oil & salt) are purchased for <b>Rs. 1000</b>	95000		12000	6000		88100	78840	-1000	118260		5000
8	19-Jan-92	Baalmart agrees to buy 1000 Chapatis and 100 Kerala Parottas at Rs.10 and 12 respectively. Baalmart agrees to pay after 2 months	95000		12000	4900	11200	88100	78840	9100	118260		5000
9	29-Jan-92	KKPP stores purchases 100 Chapattis and 100 Kerala parottas at Rs.10 and 12 respectively. Full amount paid in cash.	95000		12000	4700	11200	90300	78840	11100	118260		5000
10	31-Jan-92	Rent paid Rs 2000	95000		12000	4700	11200	88300	78840	9100	118260		5000
11	31-Jan-92	<b>Salary paid</b> to Bhalu Rs. 6000 for January	95000		12000	4700	11200	82300	78840	3100	118260		5000
12	31-Jan-92	<b>Depreciation</b> of fixed asset - Machinery Rs. 1583.33	95000	-1583.333333	12000	4700	11200	82300	78840	1516.67	118260		5000

SL No.	Date	Transaction	Fixed assets	Depreciation	Rent Security Deposit	Inventory	Accounts Receivable	Cash	Capital	Profit	Loan	Rent Payable	Payables
13	31-Jan-92	Electricity Bill of Rs. 1300	95000	-1583.333333	12000	4700	11200	81000	78840	216.667	118260		5000
14	13-Feb-92	KKPP stores purchases another 2000 Chapattis and 2000 Kerala parottas at Rs.10 and 12 respectively. Full amount <b>paid in cash.</b>	95000	-1583.333333	12000	700	11200	125000	78840	40216.7	118260		5000
15	29-Feb-92	<b>Salary paid</b> to Bhalu Rs. 6000 for February	95000	-1583.333333	12000	700	11200	119000	78840	34216.7	118260		5000
16	29-Feb-92	<b>Depreciation</b> of fixed asset - Machinery Rs. 1583.33	95000	-3166.666667	12000	700	11200	119000	78840	32633.3	118260		5000
17	29-Feb-92	Electricity Bill of Rs. 1300	95000	-3166.666667	12000	700	11200	117700	78840	31333.3	118260		5000
18	01-Mar-92	Rent paid Rs 2000	95000	-3166.666667	12000	700	11200	115700	78840	29333.3	118260		5000
19	19-Mar-92	Baalmart has credited the amount due from Transaction on 19th Jan (amount Rs. 11200)	95000	-3166.666667	12000	700	0	126900	78840	29333.3	118260		5000
20	20-Mar-92	Wheat and Maida have a shelf life of 6 Months, 2 Quintal of wheat and Maida each are purchased for <b>Rs 1000</b> and <b>Rs 1500</b> per quintal respectively on 4 month <b>credit</b> from KCargilli	95000	-3166.666667	12000	5700	0	126900	78840	29333.3	118260		10000
21	21-Mar-92	Other ingredients(Oil & salt) are purchased for <b>Rs. 1000</b>	95000	-3166.666667	12000	6700	0	125900	78840	29333.3	118260		10000
22	22-Mar-92	Baalmart agrees to buy another 2000 Chapatis and 500 Kerala Parottas at Rs.10 and 12 respectively. Baalmart agrees to <b>pay after 2 months</b>	95000	-3166.666667	12000	4200	26000	125900	78840	52833.3	118260		10000
23	31-Mar-92	Salary paid to Bhalu Rs. 6000 for March	95000	-3166.666667	12000	4200	26000	119900	78840	46833.3	118260		10000
24	31-Mar-92	<b>Depreciation</b> of fixed asset - Machinery Rs. 1583.33	95000	-4750	12000	4200	26000	119900	78840	45250	118260		10000
25	31-Mar-92	Electricity Bill of Rs. 1300	95000	-4750	12000	4200	26000	118600	78840	43950	118260		10000
26	31-Mar-92	Rent to be paid for the month of March, but not paid Rs 2000	95000	-4750	12000	4200	26000	118600	78840	41950	118260	2000	10000

Transactions for Period 2. Starting 1<sup>st</sup> April 1992 to 31<sup>st</sup> March 1993

SL No.	Date	Transaction	Assets						Owners Equity			Liabilities		
			Fixed assets	Depreciation	Rent Security Deposit	Inventory	Short Term Investment	Accounts Receivable	Cash	Capital	Profit	Loan	Rent Payable	Payables
27	01-Apr-92	Rent paid for the month of March on 1st April, Rs 2000	95000	-4750	12000	4200		26000	116600	78840	41950	118260	0	10000
28	12-Apr-92	Baalmart agrees to buy another 2200 Chapatis and 550 Kerala Parottas at Rs.10.5 and 13 respectively. Baalmart agrees to pay after 2	95000	-4750	12000	1450		56250	116600	78840	69450	118260	0	10000
29	14-Apr-92	KKPP stores purchases 200 Chapattis and 75 Kerala parottas at Rs.10.5 and 13 respectively. Full amount paid in cash.	95000	-4750	12000	1175		56250	119675	78840	72250	118260	0	10000
30	20-Apr-92	4 Quintal of wheat and Maida each are purchased for Rs 1050 and Rs 1570 per quintal respectively on 4 month credit from KCargilli	95000	-4750	12000	11655		56250	119675	78840	72250	118260	0	20480
31	25-Apr-92	Other ingredients(Oil & salt) are purchased for Rs. 1050	95000	-4750	12000	11655		56250	118625	78840	71200	118260	0	20480
32	30-Apr-92	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-6333.33333	12000	11655		56250	118625	78840	69617	118260	0	20480
33	30-Apr-92	Electricity Bill of Rs. 1300	95000	-6333.33333	12000	11655		56250	117325	78840	68317	118260	0	20480
34	30-Apr-92	Rent paid Rs 2000	95000	-6333.33333	12000	11655		56250	115325	78840	66317	118260	0	20480
35	30-Apr-92	Salary paid to Bhalu Rs. 6000	95000	-6333.33333	12000	11655		56250	109325	78840	60317	118260	0	20480
36	17-May-92	Dues to Kcargilli paid from Jan 17th (Rs.5000)	95000	-6333.33333	12000	11655		56250	104325	78840	60317	118260	0	15480
37	22-May-92	Baalmart has credited the amount due from Transaction on 22nd March (amount Rs. 26000)	95000	-6333.33333	12000	11655		30250	130325	78840	60317	118260	0	15480
38	31-May-92	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-7916.66667	12000	11655		30250	130325	78840	58733	118260	0	15480
39	31-May-92	Electricity Bill of Rs. 1300	95000	-7916.66667	12000	11655		30250	129025	78840	57433	118260	0	15480
40	31-May-92	Rent paid Rs 2000	95000	-7916.66667	12000	11655		30250	127025	78840	55433	118260	0	15480
41	31-May-92	Salary paid to Bhalu Rs. 6000	95000	-7916.66667	12000	11655		30250	121025	78840	49433	118260	0	15480
42	12-Jun-92	Baalmart has credited the amount due from Transaction on 19th Jan (amount Rs. 30250)	95000	-7916.66667	12000	11655		0	151275	78840	49433	118260	0	15480
43	30-Jun-92	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-9500	12000	11655		0	151275	78840	47850	118260	0	15480
44	30-Jun-92	Electricity Bill of Rs. 1300	95000	-9500	12000	11655		0	149975	78840	46550	118260	0	15480
45	30-Jun-92	Rent paid Rs 2000	95000	-9500	12000	11655		0	147975	78840	44550	118260	0	15480
46	30-Jun-92	Salary paid to Bhalu Rs. 6000	95000	-9500	12000	11655		0	141975	78840	38550	118260	0	15480
47	20-Jul-92	Dues to Kcargilli paid from March 20th (Rs.5000)	95000	-9500	12000	11655	0	0	136975	78840	38550	118260	0	10480
48	20-Jul-92	A 6 month intercompany investment of Rs. 20,000 has been made, rate of interest is 5% P.A.	95000	-9500	12000	11655	20000	0	116975	78840	38550	118260	0	10480

SL No.	Date	Transaction	Assets							Owners Equity		Liabilities		
			Fixed assets	Depreciation	Rent Security Deposit	Inventory	Short Term Investment	Accounts Receivable	Cash	Capital	Profit	Loan	Rent Payable	Payables
49	31-Jul-92	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-11083.33333	12000	11655	20000	0	116975	78840	36966.7	118260	0	10480
50	31-Jul-92	Rent paid Rs 2000	95000	-11083.33333	12000	11655	20000	0	114975	78840	34966.7	118260	0	10480
51	31-Jul-92	Salary paid to Bhalu Rs. 6000	95000	-11083.33333	12000	11655	20000	0	108975	78840	28966.7	118260	0	10480
52	20-Aug-92	Dues to Kcargilli paid from April 20th (Rs.10480)	95000	-11083.33333	12000	11655	20000	0	98495	78840	28966.7	118260	0	0
53	31-Aug-92	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-12666.66667	12000	11655	20000	0	98495	78840	27383.3	118260	0	0
54	<b>The owner of the company suffers a Cardiac arrest and has to shut the company for 10 months</b>													
55	01-Sep-92	Inventory write-off - Rs.11655	95000	-12666.66667	12000	0	20000	0	98495	78840	15728.3	118260	0	0
56	30-Sep-92	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-14250	12000	0	20000	0	98495	78840	14145	118260	0	0
57	31-Oct-92	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-15833.33333	12000	0	20000	0	98495	78840	12561.7	118260	0	0
58	30-Nov-92	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-17416.66667	12000	0	20000	0	98495	78840	10978.3	118260	0	0
59	31-Dec-92	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-19000	12000	0	20000	0	98495	78840	9395	118260	0	0
60	02-Jan-93	Interest Rs. 11826 is Paid for Loan	95000	-19000	12000	0	20000	0	86669	78840	-2431	118260	0	0
61	20-Jan-93	A 6 month intercompany investment of Rs. 20,000 has matured and Rs. 20,500 has been credited.	95000	-19000	12000	0	0	0	107169	78840	-1931	118260	0	0
62	31-Jan-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-20583.33333	12000	0	0	0	107169	78840	-3514.3	118260	0	0
63	28-Feb-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-22166.66667	12000	0	0	0	107169	78840	-5097.7	118260	0	0
64	31-Mar-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-23750	12000	0	0	0	107169	78840	-6681	118260	0	0

Transactions for Period 3. Starting 1<sup>st</sup> April 1993 to 31<sup>st</sup> March 1994

SL No.	Date	Transaction	Assets						Owners Equity		Liabilities			
			Fixed assets	Depreciation	Rent Security Deposit	Inventory	Short Term Investment	Accounts Receivable	Cash	Capital	Profit	Loan	Rent Payable	Payables
89	30-Apr-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-25333.33333	12000	0	0	0	107169	78840	-8264.3	118260	0	0
90	31-May-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-26916.66667	12000	0	0	0	107169	78840	-9847.7	118260	0	0
91	30-Jun-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-28500	12000	0	0	0	107169	78840	-11431	118260	0	0
92	12-Jul-93	4 Quintal of wheat and Maida each are purchased for Rs 1200 and Rs 1850 per quintal respectively on 4 month credit from KCargilli	95000	-28500	12000	12200	0	0	94969	78840	-23631	118260	0	12200
93	12-Jul-93	Prices of other supplies have increased to Rs. 1200. Paid in Cash	95000	-28500	12000	12200	0	0	93769	78840	-24831	118260	0	12200
94	17-Jul-93	and 600 Kerala Parottas at Rs.11 and 14 respectively. Baalmart agrees to pay after 2 months	95000	-28500	12000	9200	0	34800	93769	78840	6969	118260	0	12200
95	31-Jul-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-30083.33333	12000	9200	0	34800	93769	78840	5385.67	118260	0	12200
96	31-Jul-93	Electricity Bill of Rs. 1300	95000	-30083.33333	12000	9200	0	34800	92469	78840	4085.67	118260	0	12200
97	31-Jul-93	Rent paid Rs 2000	95000	-30083.33333	12000	9200	0	34800	90469	78840	2085.67	118260	0	12200
98	31-Jul-93	Salary paid to Bhalu Rs. 6000	95000	-30083.33333	12000	9200	0	34800	84469	78840	-3914.3	118260	0	12200
99	15-Aug-93	KKPP stores purchases 220 Chapattis and 100 Kerala parottas at Rs.11 and 14 respectively. Full amount paid in cash.	95000	-30083.33333	12000	8880	0	34800	88289	78840	-414.33	118260	0	12200
100	31-Aug-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-31666.66667	12000	8880	0	34800	88289	78840	-1997.7	118260	0	12200
101	31-Aug-93	Electricity Bill of Rs. 1300	95000	-31666.66667	12000	8880	0	34800	86989	78840	-3297.7	118260	0	12200
102	31-Aug-93	Rent paid Rs 2000	95000	-31666.66667	12000	8880	0	34800	84989	78840	-5297.7	118260	0	12200
103	31-Aug-93	Salary paid to Bhalu Rs. 6000	95000	-31666.66667	12000	8880	0	34800	78989	78840	-11298	118260	0	12200
104	17-Sep-93	Baalmart has credited the amount due from Transaction on 17th July (amount Rs. 34800)	95000	-31666.66667	12000	8880	0	0	113789	78840	-11298	118260	0	12200
105	30-Sep-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-33250	12000	8880	0	0	113789	78840	-12881	118260	0	12200

COMPREHENSIVE PROJECT -- EFAAC

Antony Jo Tharappel

Roll no- PGPBL0108

SL No.	Date	Transaction	Assets							Owners Equity		Liabilities		
			Fixed assets	Depreciation	Rent Security Deposit	Inventory	Short Term Investment	Accounts Receivable	Cash	Capital	Profit	Loan	Rent Payable	Payables
106	30-Sep-93	Rent paid Rs 2000	95000	-33250	12000	8880	0	0	111789	78840	-14881	118260	0	12200
107	30-Sep-93	Salary paid to Bhalu Rs. 6000	95000	-33250	12000	8880	0	0	105789	78840	-20881	118260	0	12200
108	10-Oct-93	and 600 Kerala Parottas at Rs.11 and 14 respectively. Baalmart agrees to pay after 2 months	95000	-33250	12000	5880	0	34800	105789	78840	10919	118260	0	12200
109	20-Oct-93	KKPP stores purchases 220 Chapattis and 100 Kerala parottas at Rs.11 and 14 respectively. Full amount paid in cash.	95000	-33250	12000	5560	0	34800	109609	78840	14419	118260	0	12200
110	30-Oct-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-34833.33333	12000	5560	0	34800	109609	78840	12835.7	118260	0	12200
111	30-Oct-93	Electricity Bill of Rs. 1300	95000	-34833.33333	12000	5560	0	34800	108309	78840	11535.7	118260	0	12200
112	30-Oct-93	Rent paid Rs 2000	95000	-34833.33333	12000	5560	0	34800	106309	78840	9535.67	118260	0	12200
113	30-Oct-93	Salary paid to Bhalu Rs. 6000	95000	-34833.33333	12000	5560	0	34800	100309	78840	3535.67	118260	0	12200
114	12-Nov-93	Dues to Kcargilli paid from July 12th (Rs.12200)	95000	-34833.33333	12000	5560	0	34800	88109	78840	3535.67	118260	0	0
115	30-Nov-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-36416.66667	12000	5560	0	34800	88109	78840	1952.33	118260	0	0
116	30-Nov-93	Electricity Bill of Rs. 1300	95000	-36416.66667	12000	5560	0	34800	86809	78840	652.333	118260	0	0
117	30-Nov-93	Rent paid Rs 2000	95000	-36416.66667	12000	5560	0	34800	84809	78840	-1347.7	118260	0	0
118	30-Nov-93	Salary paid to Bhalu Rs. 6000	95000	-36416.66667	12000	5560	0	34800	78809	78840	-7347.7	118260	0	0
119	10-Dec-93	Baalmart has credited the amount due from Transaction on 10th Oct (amount Rs. 34800)	95000	-36416.66667	12000	5560	0	0	113609	78840	-7347.7	118260	0	0
120	31-Dec-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-38000	12000	5560	0	0	113609	78840	-8931	118260	0	0
121	31-Dec-93	Electricity Bill of Rs. 1300	95000	-38000	12000	5560	0	0	112309	78840	-10231	118260	0	0
122	31-Dec-93	Rent paid Rs 2000	95000	-38000	12000	5560	0	0	110309	78840	-12231	118260	0	0
123	31-Dec-93	Salary paid to Bhalu Rs. 6000	95000	-38000	12000	5560	0	0	104309	78840	-18231	118260	0	0
124	02-Jan-93	Interest Rs. 11826 is Paid for Loan	95000	-38000	12000	5560	0	0	92483	78840	-30057	118260	0	0
125	22-Jan-93	A 6 month intercompany investment of Rs. 20,000 has been made, rate of interest is 5% P.A.	95000	-38000	12000	5560	20000	0	72483	78840	-30057	118260	0	0
126	31-Jan-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-39583.33333	12000	5560	20000	0	72483	78840	-31640	118260	0	0

SL No.	Date	Transaction	Assets							Owners Equity		Liabilities		
			Fixed assets	Depreciation	Rent Security Deposit	Inventory	Short Term Investment	Accounts Receivable	Cash	Capital	Profit	Loan	Rent Payable	Payables
127	31-Jan-93	Rent paid Rs 2000	95000	-39583.33333	12000	5560	20000	0	70483	78840	-33640	118260	0	0
128	31-Jan-93	Salary paid to Bhalu Rs. 6000	95000	-39583.33333	12000	5560	20000	0	64483	78840	-39640	118260	0	0
129	28-Feb-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-41166.66667	12000	5560	20000	0	64483	78840	-41224	118260	0	0
130	28-Feb-93	Rent paid Rs 2000	95000	-41166.66667	12000	5560	20000	0	62483	78840	-43224	118260	0	0
131	28-Feb-93	Salary paid to Bhalu Rs. 6000	95000	-41166.66667	12000	5560	20000	0	56483	78840	-49224	118260	0	0
132	02-Mar-93	and 600 Kerala Parottas at Rs.11 and 14 respectively. Baalmart agrees to pay after 2 months	95000	-41166.66667	12000	2560	20000	34800	56483	78840	-17424	118260	0	0
133	08-Mar-93	KKPP stores purchases 220 Chapattis and 100 Kerala parottas at Rs.11 and 14 respectively. Full amount paid in cash.	95000	-41166.66667	12000	2240	20000	34800	60303	78840	-13924	118260	0	0
134	14-Mar-93	4 Quintal of wheat and Maida each are purchased for Rs 1250 and Rs 1800 per quintal respectively on 4 month credit from KCargilli	95000	-41166.66667	12000	14440	20000	34800	48103	78840	-26124	118260	0	12200
135	20-Mar-93	and 600 Kerala Parottas at Rs.11 and 14 respectively. Baalmart agrees to pay after 2 months	95000	-41166.66667	12000	11440	20000	69600	48103	78840	5676.33	118260	0	12200
136	26-Mar-93	KKPP stores purchases 220 Chapattis and 100 Kerala parottas at Rs.11 and 14 respectively. Full amount paid in cash.	95000	-41166.66667	12000	11120	20000	69600	51923	78840	9176.33	118260	0	12200
137	27-Mar-93	and 600 Kerala Parottas at Rs.11 and 14 respectively. Baalmart agrees to pay after 2 months	95000	-41166.66667	12000	8120	20000	104400	51923	78840	40976.3	118260	0	12200
138	31-Mar-93	Depreciation of fixed asset - Machinery Rs. 1583.33	95000	-42750	12000	8120	20000	104400	51923	78840	39393	118260	0	12200
139	31-Mar-93	Electricity Bill of Rs. 1300	95000	-42750	12000	8120	20000	104400	50623	78840	38093	118260	0	12200
140	31-Mar-93	Rent paid Rs 2000	95000	-42750	12000	8120	20000	104400	48623	78840	36093	118260	0	12200
141	31-Mar-93	Salary paid to Bhalu Rs. 6000	95000	-42750	12000	8120	20000	104400	42623	78840	30093	118260	0	12200

## Consolidated Financial Statements for 3 years

## 1. Balance Sheet -

Particulars (INR Rs.)	FY94	FY93	FY92
<b>Current Assets</b>			
Cash	42673	107169	118600
Inventory	8120	0	4200
Accounts Receivable	104400	0	26000
Short Term Investment	20000	0	0
<b>Non-Current Assets</b>			
Plant and Machinery	95000	95000	95000
Accumulated Depreciation	-42750	-23750	-4750
<b>Net Plant and machinery</b>	<b>52250</b>	<b>71250</b>	<b>90250</b>
Rent Security Deposit	12000	12000	12000
<b>Total Assets</b>	<b>239443</b>	<b>190419</b>	<b>251050</b>
<b>Current Liabilities</b>			
Accounts Payable	12200	0	10000
Other Liabilities	0	0	2000
<b>Non-Current Liabilities</b>			
Loans & Borrowings	118260	118260	118260
<b>Owners Equity</b>			
Capital	78840	78840	78840
Profit	30143	-6681	41950
<b>Total Liabilities</b>	<b>239443</b>	<b>190419</b>	<b>251050</b>

## 2. Profit and Loss Statement

Particulars (INR Rs.)	FY94	FY93	FY92
<b>Revenue</b>	<b>189280</b>	<b>33325</b>	<b>83400</b>
(-) COGS	16280	3025	7800
Other Income	0	500	0
<b>Gross Profit</b>	<b>173000</b>	<b>30800</b>	<b>75600</b>
(-) Operating Expenses	81000	36950	28900
<b>EBITDA</b>	<b>92000</b>	<b>-6150</b>	<b>46700</b>
(-) D&A	19000	19000	4749.999
<b>EBIT</b>	<b>73000</b>	<b>-25150</b>	<b>41950.001</b>
(-) Interest	11826	11826	0
<b>Profit before Extraordinary Items and Tax</b>	<b>61174</b>	<b>-36976</b>	<b>41950.001</b>
(-) Inventory damaged in flood	0	11655	0
<b>PBT</b>	<b>61174</b>	<b>-48631</b>	<b>41950.001</b>
(-) Taxes	-	-	-
<b>PAT</b>	<b>61174</b>	<b>-48631</b>	<b>41950.001</b>

**3. Cash Flow Statement**

Particular (INR Rs.)	FY94	FY93	FY92
<b>Cash Flow from Operations</b>			
Net Income	36824	-48631	41950.001
D&A	19000	19000	4750
Interest received on Investment	0	-500	0
Interest on borrowing	11826	11826	0
Change in Accounts Rec	-104400	26000	-26000
Change in Accounts Pay	12200	-12000	12000
Change in Inventory	-8120	4200	-4200
<b>Net Cash from Operating Activities (A)</b>	<b>-32670</b>	<b>-105</b>	<b>28500.001</b>
<b>Cash Flow from Investing</b>			
Capex	0	0	-95000
Income from Sale of investment	0	20500	0
Purchase of Investment	-20000	-20000	-12000
<b>Net Cash Flow from Investing (B)</b>	<b>-20000</b>	<b>500</b>	<b>-107000</b>
<b>Cash Flow from Financing</b>			
Owners' Equity	0	-	78840
Increase in Loans	0	0	118260
Interest paid	-11826	-11826	0
<b>Net Cash Flow from Financing (C)</b>	<b>-11826</b>	<b>-11826</b>	<b>197100</b>
<b>Net Cash Flow (A + B + C)</b>	<b>-64496</b>	<b>-11431</b>	<b>118600.001</b>
<b>Particular</b>	<b>FY94</b>	<b>FY93</b>	<b>FY92</b>
Cash Balance at beginning of year	107169.001	118600.001	0
Net Cash Flow	-64496	-11431	118600.001
Cash Balance at end of year	42673	107169	118600
<b>Matches with Cash Balance in BS</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

**Part II**

**Common ratio analysis.**

<b>Financial Ratios</b>				
<b>Solvency</b>		<b>FY94</b>	<b>FY93</b>	<b>FY92</b>
	<b>Short Term Solvency</b>			
	Net Working Capital (Rs )	142993.0	107169.0	136800.0
	Current Ratio	12.7	-	12.4
	Quick Ratio	12.1	-	12.1
	Average Daily Expenses (Rs)	214.5	89.4	87.5
	Cash Cover for Daily Expenses (days)	199.0	119.8	135.9
	Quick Assets Cover for Daily Expenses (days)	685.8	119.8	165.9
	Current Assets Cover for Daily Expenses (days)	723.6	119.8	169.9
	Current Liabilities Cover for Daily Expenses (days)	56.9	-	137.1
	Accounts Receivable Turnover	5.8	2.6	6.4
	Average Collection Period (days)	62.9	142.4	56.9
	Inventory Turnover	5.3	1.4	3.7
	Inventory Conversion Period (days)	69.2	253.4	98.8
	Average Payables Period (days)	124.6	603.3	234.5
	<b>Long Term Solvency</b>			
	Total Debt to Total Capital	1.0	1.6	1.1
	Long-term Debt to Total Capital	0.9	1.6	1.0
	Times Interest Covered	6.2	-3.1	-

1. Short-term solvency;
  - a. The Net working capital has reduced marginally in FY93, indicating that the company has grown lesser in FY93 as compared to the other years, this is due to the closing of operations for a few months.
  - b. The average daily expenses of the company has dropped year on year, this is not a good sign for a company as its an indication of reduced operations.
  - c. The inventory conversion period had increased in FY93 and then has now normalized. As the inventory a limited shelf life its crucial that the inventory is consumed in time.
  - d. The company’s quick and current ratios are not present for FY93, this is due to the close of the company due to extraordinary circumstances. For the other 2 years FY94 and FY92 the current and quick ratios are very high and means that the company should move money into some investments that will be better use of money, on the flipside this is a good sign for vendors and lenders, they can see that the company has sufficient funds for operations.
2. Long-term solvency
  - a. Total Debt to Total Capital ratio is very close to 1 all the years meaning the company has leveraged to the maximum possible, and the lenders would be wary of lending more money.
3. Profitability
  - a. Gross Profit Margin for Years 94 and 92 are very healthy and signal that the company has substantial revenue and very efficient procurement. It can also mean that the company is in a profitable business.
  - b. Net profit Margin for the years 94 and 92 are relatively very good indicating that the company is very profitable and is efficient.

Profitability		FY94	FY93	FY92
<b>Margin on Sales</b>				
	Gross Profit Margin (%)	91.4	89.4	90.6
	Operating Profit Margin (%)	38.6	-111.9	50.3
	Net Profit Margin (%)	32.3	-145.9	50.3
<b>Return on Investment</b>				
	Operating Profit to Operating Assets (%)	81.9	-38.9	69.5
	Net Income to Total Assets (%)	37.0	-22.0	33.4
	Return on Equity (%)	81.0	-50.4	69.4
<b>Efficiency of Use of Assets</b>				
	Total Asset Turnover	1.1	0.2	0.7
	Operating Asset Turnover	2.1	0.3	1.4
	Working Capital Turnover	1.5	0.3	0.6

**2. Cash Flow Statement analysis.**

Major sources of cash	FY94	FY93	FY92
-Owners' Fund	-	-	78840
-Long term borrowing	-	-	118260
-Liquidation of Short-Term Investments	-	20500	-
Net Operating Activities	189280	33325	83400
Major uses of cash in the year			
-Net Capex	-	-	95000
Interest paid for Long Term Loan	11826	11826	-
-Investment in Short Term Corporate Bonds	20000	-	-
Is Capex > Depreciation?	No Capex = 0	No Capex = 0	Yes 95000>4750
Working Capital Changes Cash flow from Operations > Capex + Interest Paid + Dividend? And reasons	No. CFO (-32) < Capex + Interest 11.8  <b>Uses</b> - Inventory & Accounts receivable Purchase of Investment  <b>Sources</b> - Depreciation & Accounts Payable	No. CFO (-1.05) < Capex + Interest 11.8  <b>Uses</b> -Accounts Payable Purchase of Investment  <b>Sources</b> - Depreciation & Accounts Receivable Sale of Investment	<b>No.</b> CFO 28 < Capex + Interest (95)  <b>Uses</b> - Inventory & Accounts receivable  <b>Sources</b> - Depreciation & Accounts Payable
If No for above question, then how as funding done?	Used existing cash Balance	Used existing cash Balance	Owner's Capital + Long term Loan
If yes for above question, then where was excess cash used?	Not Applicable	Not Applicable	Not Applicable
Bankruptcy Scale	6	3	5

Analysis of Cash flow ratios:

- For the company only in year 92 was there a capex and funds raised through long term borrowings, the company has run for 2 years without the need for additional funds and this is a very good sign, the company was able to sustain using just the cash balance.
- No additional Capex was made for years 93 and 94, this is not a very good sign for this company as its not even able to maintain against depreciation, although FY93 was not a good year for the company they were able to pay the interest for the loans and in year FY94 were able to pay both the interest and purchase an investment.
- Given this data the company does look promising and might wear out the bad periods and have good growing through capex. Taking all this data into consideration we have rated the company as 5 for FY92, 3 for FY93 and 6 for FY94.

### 3. Costing aspects of the company, based on the financial statements

Common Size Analysis for Costs Y-o-Y			
Particular	FY94	FY93	FY92
<b>Revenue</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
(-) COGS	9%	9%	9%
(-) Operating Expenses	43%	111%	35%
(-) D&A	10%	57%	6%
(-) Interest Expense	6%	35%	0%
<b>Total Comprehensive Income</b>	<b>32%</b>	<b>-146%</b>	<b>50%</b>

Analysis of Variance in Costs Y-o-Y			
Particular	FY94	FY93	FY92
<b>Revenue</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
(-) Change in COGS	0%	0%	9%
(-) Change in Operating Expenses	-68%	76%	35%
(-) Change in D&A	-47%	51%	6%
(-) Change in Interest Expense	-29%	35%	0%
<b>Total Comprehensive Income</b>	<b>-114%</b>	<b>-96%</b>	<b>50%</b>

Analysis of costing aspects:

- The cost of goods sold in the company has remained stable for all the 3 years indicating that the company is operating relatively efficiently.
- The operating expenses in FY93 has increased sharply this is probably due to the inventory write-off that occurred due to closure of the company.
- In FY93 the total comprehensive income is -146% meaning that the company made huge losses in this year, again this is due to the closure of the plant.
- The total comprehensive income has reduced drastically in FY93 owing to the shutdown and has recovered in FY94.

Other notes:

**Interest and Depreciation Schedules:**

Interest				
Year	Principle	Interest Rate	No of Days	Interest
FY92	118260	10%	95	0
FY93	118260	10%	365	11826
FY94	118260	10%	365	11826

\*Interest is paid every year on the 2nd January.

Depreciation		
Year	Asset Value	Depreciation
FY92	90250	-4750
FY93	71250	-19000
FY94	52250	-19000



Project\_FAM\_Antony\_  
Tharappel.xlsx

The excel sheet with all calculations of this project is attached here: