

TECHNO ECONOMIC

# PROJECT REPORT

on

## CASH CREDIT FACILITY

For Bank Working Capital Finance

SUBMITTED BY

**ABC**

Proprietor: ABC SIKDAR

Constitution: Proprietorship

CC/OD LIMIT

**₹10,00,000**

YR1 TURNOVER

**₹61,25,740**

YR1 DP COVERAGE

**153%**

PREPARED BY

**VIDISHA CONSULTANCY SERVICES**

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Report Date: 20.03.2026



## EXECUTIVE SUMMARY

**ABC**, a Proprietorship (estd. 2024), in **MEDICAL SHOP RETAIL**, seeks a **Cash Credit** limit of **₹10,00,000** at **12.04% p.a.**

Yr1 Turnover: **₹61,25,740** | EBITDA: **₹4,90,059** | PAT: **₹4,90,059** | DP Coverage: **153%**

CC/OD LIMIT  
**₹10,00,000**

NAYAK ELIGIBLE  
**₹12,25,148**

YR1 PAT  
**₹4,90,059**

BEP  
**47.48%**

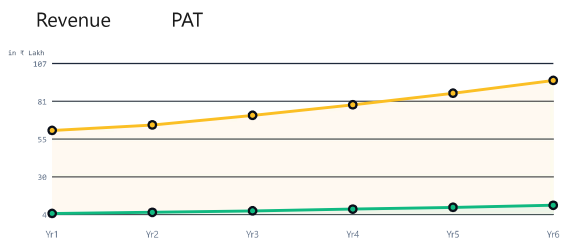
YR1 REVENUE  
**₹61,25,740**

DRAWING POWER  
**₹15,27,550**

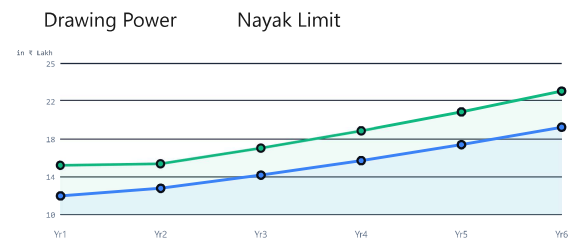
CURRENT RATIO  
**2.87x**

PROJECTION  
**6 Years**

### REVENUE VS PAT



### DP VS NAYAK



# WORKING CAPITAL ASSESSMENT

## NAYAK COMMITTEE METHOD (Turnover Method)

WC Requirement = 25% of Projected Annual Turnover. Bank finances 80%, Promoter contributes 20%.

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Projected Turnover	₹61,25,740	₹65,00,004	₹71,50,004	₹78,65,005	₹86,51,505	₹95,16,656
WC Reqd (25%)	₹15,31,435	₹16,25,001	₹17,87,501	₹19,66,251	₹21,62,876	₹23,79,164
Bank Finance (80%)	₹12,25,148	₹13,00,001	₹14,30,001	₹15,73,001	₹17,30,301	₹19,03,331
Promoter Margin (20%)	₹3,06,287	₹3,25,000	₹3,57,500	₹3,93,250	₹4,32,575	₹4,75,833

## B. MPBF METHOD I — Tandon First Method

MPBF = 75% of WC Gap (CA – CL excl. bank). Borrower arranges 25% of WC Gap as margin. Minimum CR: 1.25:1.

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>CURRENT ASSETS</b>						
Stock	₹16,01,270	₹15,27,946	₹16,80,741	₹18,48,815	₹20,33,696	₹22,37,066
Debtors	₹4,10,890	₹5,34,247	₹5,87,672	₹6,46,439	₹7,11,083	₹7,82,191
Other CA	₹3,28,110	₹3,31,250	₹3,47,813	₹3,65,203	₹3,83,463	₹4,02,636
Total CA (A)	₹23,40,270	₹23,93,443	₹26,16,225	₹28,60,457	₹31,28,242	₹34,21,893
<b>CURRENT LIABILITIES (excl. Bank)</b>						
Creditors	₹0	₹2,08,356	₹2,29,192	₹2,52,111	₹2,77,322	₹3,05,054
Total CL excl. Bank (B)	₹0	₹2,08,356	₹2,29,192	₹2,52,111	₹2,77,322	₹3,05,054
Working Capital Gap (A-B)	₹23,40,270	₹21,85,087	₹23,87,033	₹26,08,346	₹28,50,920	₹31,16,839
Borrower Margin (25% of Gap)	₹5,85,068	₹5,46,272	₹5,96,758	₹6,52,086	₹7,12,730	₹7,79,210
MPBF — Method I	₹17,55,203	₹16,38,815	₹17,90,275	₹19,56,259	₹21,38,190	₹23,37,629

## C. MPBF METHOD II — Tandon Second Method (Chore Committee)

MPBF = 75% of Total CA – CL. Borrower arranges 25% of Total CA as margin. Minimum CR: 1.33:1. Standard for limits above ₹50 Lakh.

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Total Current Assets (A)	₹23,40,270	₹23,93,443	₹26,16,225	₹28,60,457	₹31,28,242	₹34,21,893
75% of Total CA	₹17,55,203	₹17,95,082	₹19,62,169	₹21,45,343	₹23,46,182	₹25,66,420
Less: CL excl. Bank (B)	₹0	₹2,08,356	₹2,29,192	₹2,52,111	₹2,77,322	₹3,05,054
MPBF — Method II	₹17,55,203	₹15,86,726	₹17,32,977	₹18,93,231	₹20,68,859	₹22,61,366
Borrower Margin (25% of CA)	₹5,85,068	₹5,98,361	₹6,54,056	₹7,15,114	₹7,82,061	₹8,55,473

## D. COMPARISON OF ALL METHODS

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Nayak (80% of 25% TO)	₹12,25,148	₹13,00,001	₹14,30,001	₹15,73,001	₹17,30,301	₹19,03,331

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
MPBF — Method I (CR 1.25)	₹17,55,203	₹16,38,815	₹17,90,275	₹19,56,259	₹21,38,190	₹23,37,629
MPBF — Method II (CR 1.33)	₹17,55,203	₹15,86,726	₹17,32,977	₹18,93,231	₹20,68,859	₹22,61,366
Drawing Power	₹15,27,550	₹15,42,905	₹16,97,196	₹18,66,915	₹20,53,607	₹22,58,967
<b>Requested CC/OD Limit</b>	<b>₹10,00,000</b>	<b>₹10,00,000</b>	<b>₹10,00,000</b>	<b>₹10,00,000</b>	<b>₹10,00,000</b>	<b>₹10,00,000</b>

**Assessment:** Nayak: ₹12,25,148 | MPBF-I (CR 1.25): ₹17,55,203 | MPBF-II (CR 1.33): ₹17,55,203 | DP: ₹15,27,550 |  
Requested: ₹10,00,000

## DRAWING POWER CALCULATION

DP = (Stock × 80%) + (Debtors < 90 days × 60%). DP must cover the CC/OD limit.

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Stock (Inventory)	₹16,01,270	₹15,27,946	₹16,80,741	₹18,48,815	₹20,33,696	₹22,37,066
Less: Stock Margin (20%)	₹3,20,254	₹3,05,589	₹3,36,148	₹3,69,763	₹4,06,739	₹4,47,413
DP on Stock	₹12,81,016	₹12,22,357	₹13,44,593	₹14,79,052	₹16,26,957	₹17,89,653
Debtors (< 90 days)	₹4,10,890	₹5,34,247	₹5,87,672	₹6,46,439	₹7,11,083	₹7,82,191
Less: Debtor Margin (40%)	₹1,64,356	₹2,13,699	₹2,35,069	₹2,58,576	₹2,84,433	₹3,12,876
DP on Debtors	₹2,46,534	₹3,20,548	₹3,52,603	₹3,87,863	₹4,26,650	₹4,69,315
<b>TOTAL DRAWING POWER</b>	<b>₹15,27,550</b>	<b>₹15,42,905</b>	<b>₹16,97,196</b>	<b>₹18,66,915</b>	<b>₹20,53,607</b>	<b>₹22,58,967</b>
CC/OD Limit Sanctioned	₹10,00,000	₹10,00,000	₹10,00,000	₹10,00,000	₹10,00,000	₹10,00,000
DP Coverage %	152.8%	154.3%	169.7%	186.7%	205.4%	225.9%

**DP Coverage:** Drawing Power of ₹15,27,550 adequately covers the CC limit of ₹10,00,000.

## PROJECTED P&L

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Revenue	₹61,25,740	₹65,00,004	₹71,50,004	₹78,65,005	₹86,51,505	₹95,16,656
<b>COST OF GOODS SOLD</b>						
Opening Stock	₹14,56,800	₹16,01,270	₹15,27,946	₹16,80,741	₹18,48,815	₹20,33,696
Add: Purchases	₹55,41,280	₹49,96,679	₹57,29,798	₹63,02,778	₹69,33,056	₹76,26,361
Add: Direct Expenses	₹0	₹0	₹0	₹0	₹0	₹0
Less: Closing Stock	₹16,01,270	₹15,27,946	₹16,80,741	₹18,48,815	₹20,33,696	₹22,37,066
<b>Total COGS</b>	<b>₹53,96,810</b>	<b>₹50,70,003</b>	<b>₹55,77,003</b>	<b>₹61,34,704</b>	<b>₹67,48,174</b>	<b>₹74,22,992</b>
<b>Gross Profit</b>	<b>₹7,28,930</b>	<b>₹14,30,001</b>	<b>₹15,73,001</b>	<b>₹17,30,301</b>	<b>₹19,03,331</b>	<b>₹20,93,664</b>
<b>Operating Expenses</b>						
Salary & Wages	₹1,00,000	₹1,08,000	₹1,13,400	₹1,19,070	₹1,25,024	₹1,31,275
Electricity	₹12,000	₹24,000	₹25,200	₹26,460	₹27,783	₹29,172
Telephone	₹15,000	₹30,000	₹31,500	₹33,075	₹34,729	₹36,465
Transport	₹25,000	₹36,000	₹37,800	₹39,690	₹41,675	₹43,758
Insurance	₹15,000	₹24,000	₹25,200	₹26,460	₹27,783	₹29,172
Repairs	₹21,000	₹42,000	₹44,100	₹46,305	₹48,620	₹51,051
Miscellaneous	₹30,000	₹84,000	₹88,200	₹92,610	₹97,241	₹1,02,103
Admin & Office	₹20,871	₹36,000	₹37,800	₹39,690	₹41,675	₹43,758
<b>Total Opex</b>	<b>₹2,38,871</b>	<b>₹3,84,000</b>	<b>₹4,03,200</b>	<b>₹4,23,360</b>	<b>₹4,44,528</b>	<b>₹4,66,754</b>
<b>EBITDA</b>	<b>₹4,90,059</b>	<b>₹10,46,001</b>	<b>₹11,69,801</b>	<b>₹13,06,941</b>	<b>₹14,58,803</b>	<b>₹16,26,910</b>
Depreciation	₹0	₹1,74,530	₹1,57,077	₹1,41,369	₹1,27,232	₹1,14,509
<b>EBIT</b>	<b>₹4,90,059</b>	<b>₹8,71,471</b>	<b>₹10,12,724</b>	<b>₹11,65,572</b>	<b>₹13,31,571</b>	<b>₹15,12,401</b>
CC/OD Interest	₹0	₹1,20,400	₹1,20,400	₹1,20,400	₹1,20,400	₹1,20,400
<b>PBT</b>	<b>₹4,90,059</b>	<b>₹7,51,071</b>	<b>₹8,92,324</b>	<b>₹10,45,172</b>	<b>₹12,11,171</b>	<b>₹13,92,001</b>
Tax	₹0	₹1,87,768	₹2,23,081	₹2,61,293	₹3,02,793	₹3,48,000
<b>PAT</b>	<b>₹4,90,059</b>	<b>₹5,63,303</b>	<b>₹6,69,243</b>	<b>₹7,83,879</b>	<b>₹9,08,378</b>	<b>₹10,44,001</b>
<b>Net Margin %</b>	<b>8.00%</b>	<b>8.67%</b>	<b>9.36%</b>	<b>9.97%</b>	<b>10.50%</b>	<b>10.97%</b>



## PROJECTED BALANCE SHEET

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>ASSETS</b>						
Net Fixed Assets	₹17,45,300	₹15,70,770	₹14,13,693	₹12,72,324	₹11,45,091	₹10,30,582
Stock	₹16,01,270	₹15,27,946	₹16,80,741	₹18,48,815	₹20,33,696	₹22,37,066
Debtors	₹4,10,890	₹5,34,247	₹5,87,672	₹6,46,439	₹7,11,083	₹7,82,191
Other CA	₹3,28,110	₹3,31,250	₹3,47,813	₹3,65,203	₹3,83,463	₹4,02,636
Cash & Bank	₹1,76,684	₹8,32,593	₹10,60,967	₹13,29,303	₹16,43,179	₹20,08,694
<b>Total Current Assets</b>	<b>₹25,16,954</b>	<b>₹32,26,036</b>	<b>₹36,77,192</b>	<b>₹41,89,759</b>	<b>₹47,71,421</b>	<b>₹54,30,587</b>
<b>TOTAL ASSETS</b>	<b>₹42,62,254</b>	<b>₹47,96,806</b>	<b>₹50,90,885</b>	<b>₹54,62,083</b>	<b>₹59,16,512</b>	<b>₹64,61,169</b>
<b>LIABILITIES</b>						
Capital / Net Worth	₹33,85,147	₹35,88,450	₹38,61,693	₹42,09,972	₹46,39,190	₹51,56,115
CC/OD Outstanding	₹8,77,107	₹10,00,000	₹10,00,000	₹10,00,000	₹10,00,000	₹10,00,000
Creditors	₹0	₹2,08,356	₹2,29,192	₹2,52,111	₹2,77,322	₹3,05,054
<b>Total Current Liab.</b>	<b>₹8,77,107</b>	<b>₹12,08,356</b>	<b>₹12,29,192</b>	<b>₹12,52,111</b>	<b>₹12,77,322</b>	<b>₹13,05,054</b>
<b>TOTAL LIABILITIES</b>	<b>₹42,62,254</b>	<b>₹47,96,806</b>	<b>₹50,90,885</b>	<b>₹54,62,083</b>	<b>₹59,16,512</b>	<b>₹64,61,169</b>

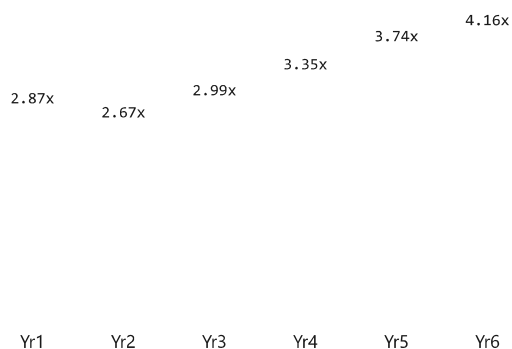
## PROJECTED CASH FLOW

Interest is included in PAT (indirect method). Cash Flow Closing = Balance Sheet Cash.

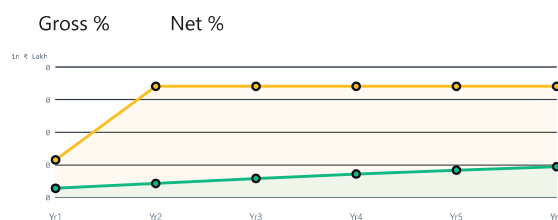
Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>A. OPERATING</b>						
PAT (incl. Interest & Tax)	₹4,90,059	₹5,63,303	₹6,69,243	₹7,83,879	₹9,08,378	₹10,44,001
+ Depreciation	₹0	₹1,74,530	₹1,57,077	₹1,41,369	₹1,27,232	₹1,14,509
Working Capital Adj.	-₹23,40,270	₹1,55,183	-₹2,01,946	-₹2,21,313	-₹2,42,574	-₹2,65,919
<b>Operating CF (A)</b>	<b>-₹18,50,211</b>	<b>₹8,93,016</b>	<b>₹6,24,374</b>	<b>₹7,03,935</b>	<b>₹7,93,036</b>	<b>₹8,92,591</b>
<b>B. INVESTING</b>						
Capex / (Disposal)	-₹17,45,300	₹0	₹0	-₹0	₹0	-₹0
<b>C. FINANCING</b>						
Capital Infusion	₹28,95,088	₹0	₹0	₹0	₹0	₹0
CC/OD Change (Net)	₹8,77,107	₹1,22,893	₹0	₹0	₹0	₹0
Less: Drawings	₹0	-₹3,60,000	-₹3,96,000	-₹4,35,600	-₹4,79,160	-₹5,27,076
<b>Financing CF (C)</b>	<b>₹37,72,195</b>	<b>-₹2,37,107</b>	<b>-₹3,96,000</b>	<b>-₹4,35,600</b>	<b>-₹4,79,160</b>	<b>-₹5,27,076</b>
<b>Net Cash Flow (A+B+C)</b>	<b>₹1,76,684</b>	<b>₹6,55,909</b>	<b>₹2,28,374</b>	<b>₹2,68,335</b>	<b>₹3,13,876</b>	<b>₹3,65,515</b>
Opening Cash	₹0	₹1,76,684	₹8,32,593	₹10,60,967	₹13,29,303	₹16,43,179
<b>Closing Cash</b>	<b>₹1,76,684</b>	<b>₹8,32,593</b>	<b>₹10,60,967</b>	<b>₹13,29,303</b>	<b>₹16,43,179</b>	<b>₹20,08,694</b>
BS Cash (Cross-check)	₹1,76,684	₹8,32,593	₹10,60,967	₹13,29,303	₹16,43,179	₹20,08,694

✓ Cash Flow Closing matches Balance Sheet Cash for all years.

### CURRENT RATIO (≥1.33X)



### MARGIN TRENDS



## KEY FINANCIAL RATIOS

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Current Ratio (≥1.33x)	2.87x	2.67x	2.99x	3.35x	3.74x	4.16x
Quick Ratio (≥0.75x)	0.67x	1.13x	1.34x	1.58x	1.84x	2.14x
Stock Days (Trend)	108	110	110	110	110	110
Debtor Days (≤30d)	24	30	30	30	30	30
Creditor Days (≤15d)	0	15	15	15	15	15
TOL/TNW (≤4.00x)	0.26x	0.34x	0.32x	0.30x	0.28x	0.25x
Debt-Equity (≤3.00x)	0.26x	0.28x	0.26x	0.24x	0.22x	0.19x
Interest Coverage (≥2.00x)	∞	7.24x	8.41x	9.68x	11.06x	12.56x
Asset Coverage (≥1.25x)	2.19x	2.40x	2.47x	2.60x	2.79x	3.04x
Gross Margin %	11.90%	22.00%	22.00%	22.00%	22.00%	22.00%
EBITDA Margin %	8.00%	16.09%	16.36%	16.62%	16.86%	17.10%
Net Margin %	8.00%	8.67%	9.36%	9.97%	10.50%	10.97%

### Definitions

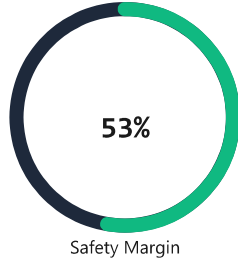
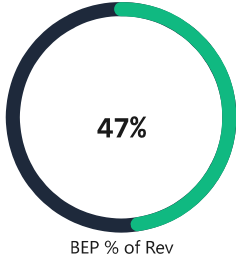
**Current Ratio** = Current Assets / Current Liabilities (incl CC/OD)

**Quick Ratio** = (Debtors + Cash) / Current Liabilities (incl CC/OD)

**TOL/TNW** = Total Outside Liabilities / Tangible Net Worth

**Interest Coverage** = EBIT / CC Interest

**Asset Coverage** = (Net FA + Cash) / CC Outstanding



### BEP VS REVENUE (YR1)

Break-Even

Projected

## BREAK-EVEN ANALYSIS

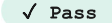
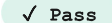
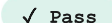
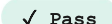
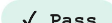
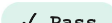

Annual Fixed Costs	₹6,78,930
Contribution Margin	22.00%
BEP Revenue (Annual)	₹30,86,045
BEP Revenue (Monthly)	₹2,57,170
Projected Rev (Yr1)	₹61,25,740
BEP as % Revenue	47.48%
Margin of Safety	52.52%

47.48%

₹0

Projected: ₹61,25,740

## VIABILITY ASSESSMENT

Parameter	Value	Status
Current Ratio $\geq 1.33$	2.87	 Pass
DP Coverage $\geq 100\%$	152.8%	 Pass
Interest Coverage $\geq 2.00$	$\infty$	 Pass
BEP $< 80\%$	47.48%	 Pass
PAT $> 0$ (Yr1)	₹4,90,059	 Pass
TOL/TNW $\leq 4.00$	0.26	 Pass
Nayak $\geq$ Limit	₹12,25,148	 Pass

### VERDICT

# VIABLE

7/7 benchmarks met

## OBSERVATIONS

- Cash Credit Limit requested: **₹10,00,000**.
- Drawing Power **₹15,27,550** — adequately covers the limit.
- Nayak eligible: **₹12,25,148**, MPBF eligible: **₹17,55,203**.
- BEP at **47.48%** of revenue, safety margin 52.52%.
- Project is financially viable for the proposed Cash Credit facility.**