

The finished goods holding level is projected at 20.31 days as at 31.03.2025 & 15.22 days as at 31.03.2026.

Gross Receivables:

Gross receivables is projected at level of 30.33 days as on 31.03.2025 and 22.83 days as at 31.03.2026.

Creditors :

The creditor level is projected at level of 22.78 days as at 31.03.2025 and 15.28 days as on 31.03.2026. The projections are in line with the industry trend. Therefore; we have accepted the same for PBF calculation.

b. Appraisal Memorandum for Term Loan/ DPG :

Proposal:															
i) Sanction	a) Fresh Term loan of Rs.8.50 Crores for purchase of new plant and machineries amounting Rs.11.67 Crores (total project cost Rs.17.67 Crores) under MSME Prime Plus scheme. b) Fresh Fund Based Working Capital limit (Cash Credit) of Rs.6.00 Crore under MSME Prime Plus scheme. c) Sanction of Bank Guarantee of Rs.0.50 Crores @ 25% Margin under MSME Prime Plus scheme.														
ii) Approval	<ul style="list-style-type: none"> Approval of pricing and other issues 														
iii) Confirmation	NA														
Project / Purpose: Fresh Term loan of Rs.8.50 Crores for purchase of New Plant and Machineries amounting Rs.11.67 Crores (total project cost Rs.17.66 Crores). It is submitted that company will take land measuring 98K -16M on lease from its group concern M/s MDJ Texco Fab Pvt. Ltd and is constructing building on this land from its own sources for setting up manufacturing unit.															
Cost of Project, Means of finance and Key Project Parameters:															
(Rs in Crores)															
<table border="1"> <thead> <tr> <th colspan="2">COST OF PROJECT</th></tr> </thead> <tbody> <tr> <td>Land</td><td>0.00</td></tr> <tr> <td>Building</td><td>3.50</td></tr> <tr> <td>Plant & Machinery</td><td>11.67</td></tr> <tr> <td>Securities</td><td>0.15</td></tr> <tr> <td>Working Capital Margin</td><td>2.34</td></tr> <tr> <td>Total Cost of Project</td><td>17.66</td></tr> </tbody> </table>		COST OF PROJECT		Land	0.00	Building	3.50	Plant & Machinery	11.67	Securities	0.15	Working Capital Margin	2.34	Total Cost of Project	17.66
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MEANS OF FINANCE	
Share Capital	2.80
Unsecured Loans	6.36
Term Loan (Against Machinery)	8.50
Total Means of finance	17.66

The company is setting up Grey fabric manufacturing unit in Gharaunda and estimated cost of the same is Rs 17.66 Crores. Further, company has requested for sanction of loan towards purchase of Plant Machinery only and informed that other expenses related to setting up of this unit including construction of Building will be done from their own sources.

COST OF PROJECT	Amt in Crore	Margin	Admissible TL
Land	0.00	0.00	0.00
Building	3.50	100.00%	0.00
Plant & Machinery	11.67	27.16%	8.50
Securities	0.15	100.00%	0.00
Working Capital Margin	2.34	100.00%	0.00
Total Cost of Project	17.66	--	8.50

The client has projected to induct total margin of Rs.9.16 Crore (Rs.3.17 Crore towards machinery and remaining Rs. 5.99 Crore towards other expenditure including construction of Building). As the majority of project is to be completed by company from their own sources i.e through capital and induction of Unsecured Loan, hence we stipulate condition that 20% of margin to be inducted by promoters i.e. Rs.1.83 Crores be inducted upfront by promoters. However, Term Loan disbursement for purchase of machinery will be done on proportionate basis of margin inducted towards purchase of machinery.

Co. has already raised USL to the tune of Rs. 2.70 Cr. till 14.03.24 and made advance payment of Rs. 1.31 Cr. to the overseas machinery suppliers.

It was informed that as on 15.03.2024, 50% construction has been completed and remaining work will be completed by 31.05.2024, as per the architect report.

DETAIL OF PROPOSED PLANT & MACHINERY WITH QUOTATIONS

S.NO.	NAME OF MACHINERY	NAME OF SUPPLIER	\$=84	Rs	Qty	Total
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1	Shuttleless Water Jet Looms	Qingdao HAIXI –Yuefeng Machinery Co.,Ltd., China	6560	551040	192	105799680
2	Sectional Warping Machine	Wuxi Zhongyin Textile Tech Co., China	14500	1218000	4	4872000
3	Transformer	Open Market, India				2000000
4	Installation Charges	Misc				3000000
	TOTAL					115671680

We have already obtained credit report of Qingdao HAIXI –Yuefeng Machinery Co.,Ltd., China from Dun & Bradstreet dt. 15.01.2024, as per credit report nothing adverse has been observed.

Further, as per policy credit report is to be obtained in case of foreign remittance of 1.00 lacs USD & above, as the proposed remittance is below the said limit. So we haven't obtained the Credit Report of Wuxi Zhongyin Textile Tech Co., China.

Debt: Equity:

The proposed DER of the Co for 31/03/25 & 31/03/26 will be 2.54 & 1.96 respectively, which seems satisfactory.

Remarks on Cost of project & Means of finance(in brief):

The company was incorporated on 26.12.2023 for setting up unit for manufacturing of Grey Fabric. Present paid up capital of the company is Rs. 0.01 crore with 2500 Equity shares of Rs 10/- each held by the four directors.

Further company has taken land of 98K 16M on lease from its allied concern M/s MDJ Texco Fab Pvt Ltd. It is submitted that party has proposed to induct its margin as fresh capital of Rs.3.80 crore by issuing share to Directors and their family members and fresh USL of Rs.3.85 crore from their friends and relatives. With that induction, paid up capital of the company will be Rs.3.80 crore and USL will be Rs.3.85 crore.

In regards to source of capital, party has informed that directors and their family members have means to raise the USL/Capital at the than required level to avail the limit.

We stipulate that party to bring 40% of their margin (Capital + USL) as upfront in the project and Term Loan will be disbursed along with proportionate margin in the project.

Project implementation &disbursement schedule:

Location:

The company is setting up unit in Village Munak, Distt. Karnal. Site is good for the

project as the rail and road transport facilities are easily available.
<p>Land: The Company have taken land of approx. 98K 16M on rent from its group concern M/s MDJ Texco Fab Pvt. Ltd at Village Munak, Distt. Karnal. The company will construct building on the above said land. Site is ideal for the project as the rail and road transport facilities are easily available.</p>
<p>Production Factors / Technical Aspects: The Promoter directors are already running business of similar nature in the name of M/s Vardhman Spinners, M/s MDJ Texco fab P Ltd & MJ Home furnishing. They are establishing another unit & have approached for the credit facilities.</p>
Lender's Independent engineer/ Insurance consultant/ Legal Consultant: NA
<p>Marketing & Selling Arrangements: The company is planning to sell its end products to their group concerns M/s MJ Home Furnishing and M/s MDJ Texco Fab Pvt Ltd.</p>
Any Other Factors: Nil
<p>Utilities: Power: The will apply for power connection of 600 KW.</p> <p>Water: Water will be required at the plant for washing, dyeing and sanitation purposes as well as for human consumption. To meet the required water supply, a submersible pump is already installed in the premises.</p> <p>STAFF & LABOUR: The unit requires skilled as well as unskilled labour for proper functioning, maintenance of plant, which is available locally in the city and directors have experience in the line of business.</p> <p>Fuel: The unit will also require diesel or other fuel for running of generator sets. The diesel / fuel are presently available in the local area and other nearby area.</p>
<p>Approvals and Clearances: Pollution – The Co has informed that they will apply for Pollution clearance after installation of machinery.</p> <p>Import Export Code (IEC) AARCM6061D</p> <p>NOC from DTP Co has already obtained NOC from DTP vide memo no. E-Dairy -232933/</p>

2024/TCP-OFA/628/2024 Dt. 05.03.2024 & E-Dairy -226941/ 2023/TCP-OFA/3621/2023 Dt. 30.12.2023.

GST Registration

The company is registered with GST number as 06AARCM6061D1ZEdated 26.02.2024

We are Stipulating that client will submit all the requisite approvals before disbursement of CC limits.

Implementation Schedule:

Sr No	Particulars	Starting Date	Completion date
1.	Land	Taken on lease from M/s MDJ Texco Fab Pvt Ltd (Group concern)	
2.	Building	Already started	May 2024
3.	Placement of orders for P & M	Already done	Apr 2024
4.	Procurement of P & M	April 2024	June 2024
5.	Installation	April 2024	June 2024
6.	Trial Run	June 2024	
7.	Commercial Production	June 2024	

Status of implementation & disbursement schedule: The company has started construction of building from their own sources and have placed orders for the machinery.

Company is planning to take disbursement from April 2024 onwards till June 2024.

Commercial viability

YEAR ENDING	31.03.2025	31.03.2026	31.03.2027	31.03.2028	31.03.2029	31.03.2030	31.03.2031
SOURCE OF FUNDS							
NET PROFIT AFTER TAX	2.92	115.98	126.20	136.64	152.66	177.68	197.00
DEPRECIATION	210.05	180.29	169.82	160.77	160.43	160.01	159.54
INTEREST ON TERM LOAN	76.50	72.54	63.90	52.43	37.63	22.82	8.01
(A)	289.47	368.81	359.92	349.85	350.72	360.52	364.55
USES OF FUNDS							
INTEREST ON TERM LOAN	76.50	72.54	63.90	52.43	37.63	22.82	8.01
REPAYMENT OF TERM LOAN	0.00	96.00	96.00	164.52	164.52	164.52	164.44

(B)	76.50	168.54	159.90	216.95	202.15	187.34	172.45
D.S.C.R	3.78	2.19	2.25	1.61	1.73	1.92	2.11
AVERAGE D.S.C.R.	2.23						

Comments on DSCR (in brief): Average DSCR of the company comes out to be 2.23 (excluding DSCR of FY 24-25) and minimum DSCR for the entire tenor is 1.61 and the same seems satisfactory.

Repayment Schedule:

a	Date of Commencement of Project	Feb 2024
b	Implementation period (in months)	3 months
c	Scheduled date of Completion of Project	30.06.2024
d	Commercial Operations Date (COD)	30.06.2024
e	Moratorium (in months)	12 months including implementation period
f	Repayment period in months/quarters/ Half year	72 months
g	No Of installments	72 monthly installments starting from 30.04.2025 (24 installments of Rs 0.08 Cr each and 48 installments of Rs 0.14 Cr each)
h	Starting Date	30.04.2025
i	End Date (Last Installment)	31.03.2031
j	Door to Door Tenor	7 years

Tenor of the loan: 7 Years

Security margin

Minimum Security Margin: 27.16% in the present case for Machinery.

Break-even analysis and whether acceptable:

NA

Sensitivity Analysis and whether acceptable

The DSCR & sensitivity analysis is calculated out on profitability statement submitted