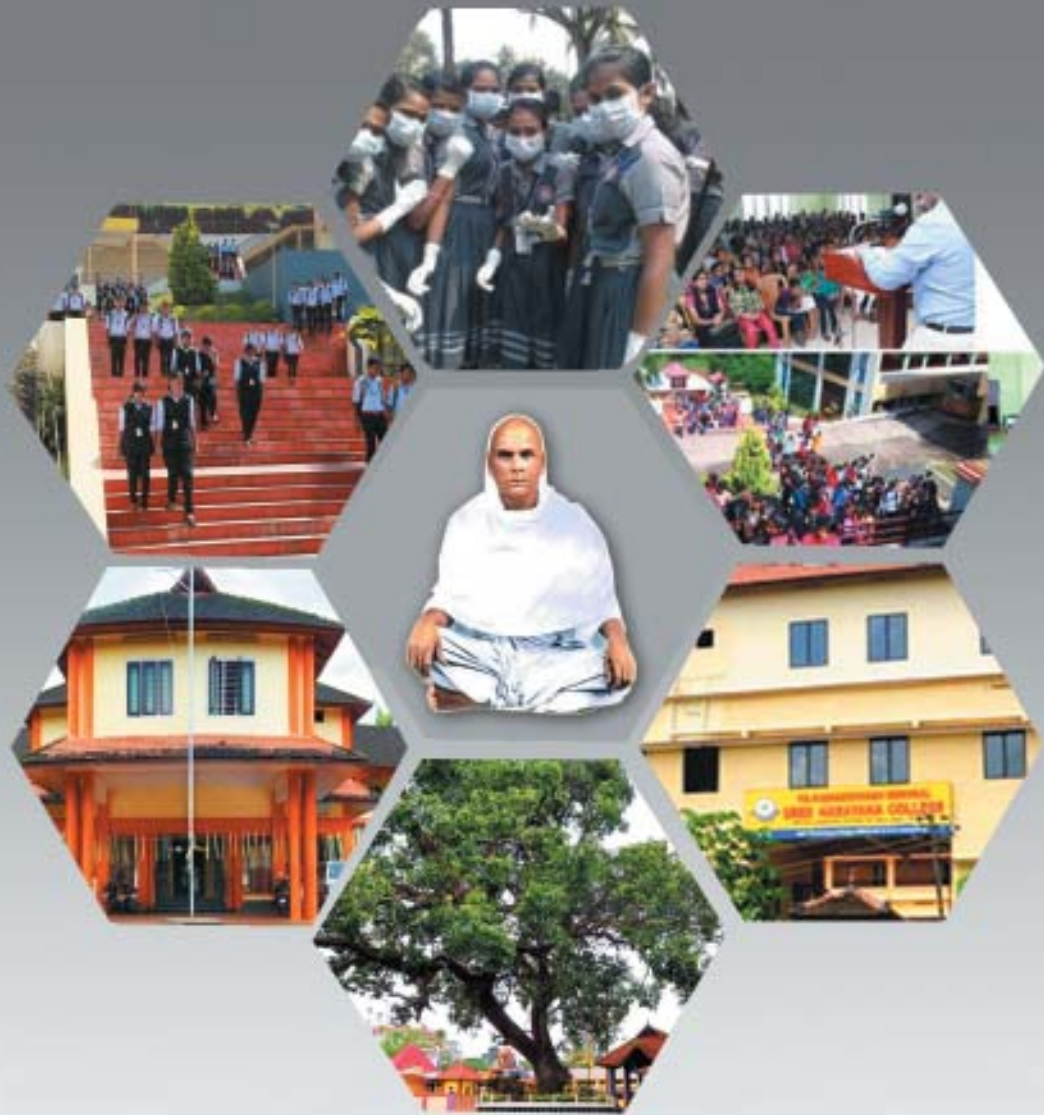


*Project profile
Of*



SREE NARAYANA GURU TRUST
Reg. 425/IV/2008

*Reg. Office:
2nd Floor, SNDP Union Building,
SN Square, M C Road,
Kottayam 01*

**SREE NARAYANA GURU TRUST: SN DP UNION BUILDING
SN SQUIRE: KOTTAYAAM 686001**

Project Profile

- Name of the Promoter** : Sree Narayana Guru Trust.
- Location** : SN DP Union Building: SN Squire:
M.C. Road: Kottayam.Kerala
- Constitution** : Registered Charitable Trust
- Main Activities** : Promoting Educational Institutions,
undertaking Charitable activities etc.
- Institutions in Operation** : 1. Gurdeva Institute of Science and
Technology, (GISAT),
Vennimala,payappady Puthuppally.
2. P G Radhakrishnan Memorial Sree
Narayana College, Channanikadu
3. Sree Narayana Arts and Science
College Kumarakom
4. Sree Narayana Public School
5. Gambit Civil service academy

Purpose Of Finance :

- 1) **Gurudeva Institute of science of Technology (GISAT)**
- a) Adding new courses in engineering stream.
 - b) New complex for Polytechnic
 - c) Start Courses for management studies
 - d) Up gradation of Laboratories, Library.
 - e) Meet establishment cost in excess of income.

- 2) **P G Radhakrishnan Memorial Sree Narayana College Channanikadu**
(Shifting of College premises)
 - a) Land purchase
 - b) New building
 - c) Laboratories, Library establishment expenses etc

- 3) **Sree Narayana Arts and Science College Kumarakom**
 - a) New Building Complex
 - b) Laboratories, Library, establishment expenses

- 4) **Sree Narayana Public School , Channanikadu**
 - a) Construction of Plus Two complex
 - b) Up gradation of Laboratories, Library
 - c) Smart Class facility establishment and other expenses etc

- 5) **Facilitation centre for patients of Medical College**
 - a) Land purchase
 - b) New building complex
 - c) Medicine and establishment Expenses

- 6) **Old age Home**
 - a) Land purchase
 - b) New Building Complex
 - c) Medical expenses, establishment expenses etc

- 7) **Gambit Civil Service academy**
 - a) Land purchase, Building construction etc.
 - b) Expenses for permanent entrance coaching course for engineering, Bank coaching,PSC Coaching and other competitive exam
 - c) Up gradation of facilities in civil service academy
 - d) Sponsorships for poor students , establishment expense etc

- 8) Vehicles for Engineering, Polytechnic , P G Radhakrishnan Memorial Sree Narayana College Channanikadu, Sree Narayana Arts and Science College Kumarakom, Sree

Narayana Public school Channanikadu, Facilitation centre and Old age Home and its cost of repairing and establishment expenses

- 9) Meditation, Yoga and health centre with land building equipments Ayurveda medicine, and establishment expenses
- 10) **Other charitable activities**
- a) Housing Scheme for poor and homeless families
 - b) Sponsorship for students from backward and poor families in higher education, Graduation and post graduation
 - c) Free medical aid

The detailed projects under the scheme

	Existing (In crores)	Additional (In crores)	Total (In crores)
1. Land	30.00	55.00	85.00
2. Building,	45.00	145.00	190.00
3. Plant and Machinery (Lab, Library etc)	10.00	20.00	30.00
4. Furniture & Fittings	5.00	5.00	10.00
5. Equipments	4.00	5.00	9.00
6. Vehicles	3.00	10.00	13.00
7. Installation Establishment and other miscellaneous	3.00	10.00	13.00
Total	100.00	250 .00	350.00

***The value of the assets is the depreciated value**

Promoters;- Sree Narayana Guru Trust is a registered charitable trust constituted to promote education for the poor and weaker sections of the backward class. The trust has started an Engineering College during 2010 under the name and style of Gurudeva Institute of Science and technology (GISAT) at Vennimala , Payappaddy, Puthupally Kottayam with 5 streams of

Engineering courses and two post graduate courses that are functioning very well. The trust has decided to expand and widen the educational activities of the Engineering College by opening a new polytechnic in the very same campus of the Engineering College and to take up the new courses under management studies. In addition for the overall developments of other educational institutions viz, P G Radhakrishnan Memorial Sree Narayana College Channanikadu, Sree Narayana Arts and Science College Kumarakom, Sree Narayana Public School Channanikadu. It is also decided to start a facilitation centre for patients of poor families taking treatment in Government Medical College, Gandhinagar. In addition to the above an old age home, at Naganpattom Kottayam is yet another dream project of the trust. To Provide health education and for health awareness it is decided to start a meditation cum Yoga centre under the ayurvedic background It is decided to upgrade the existing Gambit Civil Service academy in a new complex with land, building, library etc enabling the trust to convert the academy into a full-fledged training institute with IAS coaching, Entrance coaching, Coaching for Banking and other competitive exams.

Organisation Set Up :-

The Sree Narayana Guru Trust is formed under SNDP Yogam Kottayam union having major share participation and management control. The trust is a registered charitable organization and is having 80G income tax exemption as per the provision of Income Tax Act with 12A registration. The Trust has also got registration of Neethi Ayog having approval as NGO from the Central Government. At present the Engineering College is functioning with 5 streams of B tech courses and 2 Post Graduate courses with all infrastructure and advanced technological lab, library and teaching experts. The college has staff strength of 85 teaching and non teaching staff with students strength of 1000 numbers from all streams. Every year the college contributes more than two rank holders in the technical university examination. To promote and concentrate on education and charitable activity various promotional events and programmes are under consideration of the Trust that are detailed in the project report

Location :-

The project is located at Vennimala, a historic place where Vennimala temple is located. The College campus is in 17.5 acres of land by the side of temple and an ideal and peace full location for a college campus. As an expansion programme the trust has decided to take up more educational activities and charitable events through contributions and assistance for which this project is prepared.

Scheme:-

The Trust has formed a scheme for the expansion project to give prominence for charitable activities with assistance from Indian and foreign institutions providing maximum financial assistance through donations, Medical aid and interest free loan to help the poor and needy class of the people in our society. In explaining the project for assistance it is decided to include the existing and upcoming project and also to take over and close the existing the loans and advances from banks, other financial institutions, temporary advance from trust members and outside person, refund of existing advance from SNDP Yogam Kottayam Union. The scheme includes purchase of new land for various projects and for construction of building additional investment for lab library, Electrical and electronic equipments, software systems and all other infrastructure for educational purpose, medical and yoga programme. It includes vehicles for transportation and travelling of the beneficiaries and staff of the various projects. The charitable events and programme includes old-age home, housing scheme for the poor and homeless, Medical aid, etc. Therefore the scheme is detailed as under.

- 1. Land:** - The total land holding of the Trust is 17.5 acres at Vennimala, Puthupally, Kottayam District. The GISAT Engineering Collage is situated in the above landed property and is valuated at Rs 30 cores. To complete the expansion programme it is necessary to purchase additional land for shifting of , P G Radhakrishnan Memorial Sree Narayana College to 5 acres campus. In addition to that land purchase is for facilitation centre at Medical College Gandhinagar in an area of 40 cents up to 1 acre and landed property of worth Rs 5 crores is needed for Sree Narayana Arts and science College , Kumarakom .An old age home is in the programme in a landed property of 40 cents at Naganpadom Kottayam along with yoga and meditation centre. Another project for construction is the housing projects for 100 homeless families in a landed property of 6 acres. New land and development cost will come to Rs 55 crores. The total land cost is Rs 85 crores
- 2. Building:** - The existing campus of college is in full of building in four block of administration Block, Class rooms are in the 2nd Block , Lab in the 3rd block, library canteen & hostel for girls as the 4th block. The existing total built up area is valuated at Rs 45 cores. In addition to the existing building the project requires additional building for the new courses of the existing Engineering College along with new building for the polytechnic in the very same campus. A new campus for management studies with hostel facility for entire student community is to be taken up as a new project along with lab, library, establishment cost etc for the entire project. A new proposal is for a new campus for P G Radhakrishnan Memorial

Sree Narayana College , with building for existing and upcoming innovative courses. The project includes additional construction of building in Sree Narayana Arts and Science College Kumarakom and also a new complex for Sree Narayana Public School to upgrade the existing public school with plus two courses. Another project for construction is the housing projects for 100 homeless families in a landed property of 6 acres. A building complex for an old age home and Yoga cum meditation centre at Naganpadoom Kottayam. A new campus for civil service academy with building and all other facilities is required. The cost of new construction under the project is estimated at 145 crores. Hence the total cost of building comes to Rs 190 crores.

3. Plant & Machinery: - The college lab & equipments for mechanical lab, Electrical lab, Electronics Civil and computer lab with computers, Software, Library books, are well maintained and are valued Rs 10 cores. The additional lab for B-tech and M-tech courses and lab for P G Radhakrishnan Memorial Sree Narayana College, Sree Narayana Arts and Science College Kumarakom, Sree Narayana Public School with library facility, electronic, electrical , software, systems that are all estimated at Rs 20 crores . Total investment comes to Rs 30 crores .

4. Furniture & Fittings: - It includes existing furniture & fittings of the College, lab, Library, Kitchen hostel etc and are valued at Rs 5 cores. Additional requirement of furniture and fitting are estimated at Rs 5 crores.
Total investment comes to Rs 10 crores.

5. Electrical, Electronics & Other Equipments: -This includes Transformer, fittings for electrification and electronic and telephone, Internet and other systems of operation. The total value is worked out at Rs 4 cores. Additional requirement of BSNL installation, other electrical and automobile lab to be installed at a cost of Rs 5 crores. Total investment comes to Rs 9 crores

6. Vehicles: - Vehicles includes full body buses, Vans, Cars etc. The total value of vehicles comes to Rs. 3 cores (The valuations of assets are worked out after depreciation on straight line method). Additional vehicles required for the project is estimated at Rs 10.crores. Total investment comes to Rs 13 crores

7. Installation Establishment and other miscellaneous Expenses: - It includes installations expense of existing projects that comes to Rs 3 crores and for the new scheme along with

the remunerations fees and allowances to workers, teaching staff, members of the trust non teaching and other services personals engaged in different project of the trust. The cost comes to Rs 10 crores. The total investment comes to Rs 13 crores

Annual Receipts and Realization: -

The income source of the trust is the fee collection from the students, sponsorship of students, scholarship offered by the parent institution SNDP union Kottayam and well-wishers of SNDP Yogam Kottayam Union, donations from Indian and foreign families connected to SNDP yogam Kottayam union and other charitable and social contributions offered by institutions and companies working for charity etc. The annual fee collection comes to Rs 25 crores and sponsorship, scholarships etc will comes to Rs 25 crore . Hence the annual receipts and realization will come to Rs 50 crores. The income tax exemption benefits of 80 G will be availed by private institutions and individual to save income tax up to 50% from their annual income tax on sponsoring students fees and that sponsorship is expected to be more in the coming years.

The cost of project and meance of finance:-

The existing cost of the project of Rs 100 crores will have to be enhanced on expansion programme with an additional cost of Rs 250 crore. And therefore the total project cost is worked out as follows;-

	Existing (In crores)	Additional (In crores)	Total (In crores)
1. Land	30.00	55.00	85.00
2. Building,	45.00	145.00	190.00
3. Plant and Machinery (Lab, Library etc)	10.00	20.00	30.00
4. Furniture & Fittings	5.00	5.00	10.00
5. Equipments	4.00	5.00	9.00
6. Vehicles	3.00	10.00	13.00
7. Installation Establishment and other miscellaneous	3.00	10.00	13.00
Total	100.00	250 .00	350.00

Financing the project:-

The total project under assistance is fixed at Rs 350 crores including the existing investment of Rs 100 crores. To avail project assistance of Rs 120 crore an amount of Rs 35 crores is to be utilized for takeover of the existing liabilities and the balance Rs 85 crores will be utilized for the upcoming projects under the scheme. Therefore the contributions from SNDP Yogam Kottayam union, Donations etc will be taken as promoters contribution for calculation purpose and therefore the financial for assistance is as follows.

Total project cost (expansion programme)	Rs 350 crores
Financial assistance	Rs 120crores
Promoters contribution	Rs 230crores
	<hr/>
	Rs 350 crores
	<hr/>

Financial assistance of Rs 120 crores is for a period of 15 years and during the period there will be financial charges and service charges to be levied annually. The annual charges will be 4% of the amount of financial assistance and the schedule of the repayment is given in annexure. The promoters have the option to repay the amount in half yearly, annually or five years periodical terms and also have the option to pay the service charge in lump sum or by yearly remittance as in the case of interest and shall be on the basis of the receipt of contribution from the members.

Projection of Performance and Profitability

A detailed projection and profitability statement for the 1st 5 years after the completion of work is attached in Annexure IV – The statement has been work out under following assumption.

I) The unit expects to create income at 80% of the installed capacity for the 1st year 90% on 2nd year, 100% on the 3rd year onwards.

11) The repair and maintenance @ 5% of cost of plant and machinery.

111) Depreciation is charged under straight-line method of 5% on fixed assets. The computation of depreciation is worked out by statement attached as Annexure III

1V) Interest on loan has been worked out @ 4% on the outstanding amount and the computation statement of term loan and working capital from loan is worked out as Annexure.

Provision for income tax has been worked out @ 25% of the profit and given portion of profit after tax is provided as drawings to partners. Computation of employee's remuneration is given under the topic manpower requirement in the project report.

On the basis of the above assumptions the gross income / profit is estimated. The net profit of Rs.12.250 crore in the first year to Rs.16.820 crore in the 2nd year and 3rd year and so on.

The profit generations are adequate enough to meet all the obligation and also to ensure reasonable return on the investment of the promoters.

Projected Cash Flow Statement

Detailed statement of projected cash flow of the 1st 5 years of working is given in Annexure V. The units disclose a cash flow Surplus of Rs.14.250 crore for the 1st year, Rs. 17.270crore 2nd year, Rs. 20.290 crore for the 3rd year and so on. The performance of cash flow is satisfactory for the smooth functioning of the unit.

Computation of Depreciation

Detailed statement of computation of depreciation for the 1st 15 years is furnished as Annexure III. 5% and depreciation is charged in straight-line method on the outstanding balance of value of machinery is respecting taken for computation purpose.

Repayment Schedule of Loan

Detailed statement of repayment schedule of loan is given in Annexure II. The schedule is prepared for the term loan and working capital for 15 years with a moratorium for the 1st Five months. The annual is charged @ 4% on bank loan.

Breakeven Analysis

The statement of breakeven analysis for the 1st 5 years of working is given Annexure VI. The unit shows a breakeven of 54% on the 1st year 47% on 2nd year and so on. The analysis shows a progressive breakeven percentage that being sufficient for the smooth running of the unit.

Debt Service Coverage Ratio

The detailed statement for the DSCR for the 1st 5 years is given in Annexure VII. The DSCR is at a proportion of 1:2.1 for the first year, 1:2.6 for the 2nd year and so on. Since the coverage ratios reflect a healthy proportion on year after year that symbolizes a profitable verdure.

Projected Balance Sheet

A statement of projected balance sheet for the 1st 5 years of working of unit is given is Annexure VIII. A clear analysis of the balance sheet shows that the proportion of asset and liabilities, the current assets and current liabilities are balancing properly that signifies a profitable industrial activity of the unit.

Conclusion

The project as a whole describes the scope and activities of the trust mainly educational institution that being GISAT Engineering college its functioning and its various aspects including financial and technical and also its future potential . The project has explained the scope of the expansion programme in detail and its viability financial and technical. The project guarantees sufficient fund to cover up the repayment programme and also given sufficient return of capital investment. The break-even and the coverage ratio are satisfactory and all the financial indications show that the project is technically viable, and commercially sound.



For K.T. MADHUSUDANAN & Co.
Chartered Accountants

T. Madhusudanan FCA, M.No. 200832
FRN 006083S
Proprietor

The detailed project Expenditure

	Particulars	(Crores)	(Crores)
1	Repayment of Excisting liability		35.00
2	<u>Additional investment in GISAT</u>		
	Building for Ploytechnic	30.00	
	Hostel Building	5.00	
	Lab , Library , furniture & fittings Establishment	9.00	44.00
3	<u>PG Radhakrishnan Memmorial Sree Narayana College, Channanikad</u>		
	Land Purchase	12.00	
	Building	15.00	
	Lab , Library , furniture & fittings Establishment	3.00	30.00
4	<u>Sree Narayana Arts & Science College Kumarakom</u>		
	Land	5.00	
	Building	5.00	
	Lab , Library , furniture & fittings Establishment	3.00	13.00
5	<u>Sree Narayana Public School</u>		
	Building	9.00	
	Lab , Library , furniture & fittings Establishment	3.00	12.00
6	<u>Facilitation Centre</u>		
	Land	15.00	
	Building	25.00	
	Furniture & fittings Establishment	5.00	45.00
7	<u>Oldage Home</u>		
	Land	3.00	
	Building	6.00	
	Furniture & fittings Establishment	2.00	11.00
8	<u>Yoga & Meditation Centre</u>		
	Building	5.00	
	Furniture & fittings Establishment	1.00	6.00
9	<u>Housing Project</u>		
	Land	10.00	
	Building	30.00	
	Furniture & fittings Establishment	3.00	43.00
10	<u>Gambit Accadamy</u>		
	Land	4.00	
	Building	5.00	
	Furniture & fittings Establishment	2.00	11.00
	Total		250.00

Annexure-II

LOAN REPAYMENT SCHEDULE

LOAN		Rs In crores		
	Op.Balance	Installment	annual charges	Balance
I	120.000	8.000	4.800	112.000
II	112.000	8.000	4.480	104.000
III	104.000	8.000	4.160	96.000
IV	96.000	8.000	3.840	88.000
V	88.000	8.000	3.520	80.000
IV	80.000	8.000	3.200	72.000
VI	72.000	8.000	2.880	64.000
VII	64.000	8.000	2.560	56.000
IX	56.000	8.000	2.240	48.000
X	48.000	8.000	1.920	40.000
XI	40.000	8.000	1.600	32.000
XII	32.000	8.000	1.280	24.000
XIII	24.000	8.000	0.960	16.000
XIV	16.000	8.000	0.640	8.000
XV	8.000	8.000	0.400	0.000

Annexure IIIDEPRECIATION STATEMENTS

Rs In crore			
Year	Op.Balance	Depreciation	Cl.Balance
I	220.000	11.000	209.000
II	209.000	10.450	198.550
III	198.550	9.928	188.623
IV	188.623	9.431	179.191
V	179.191	8.960	170.232
IV	170.232	8.512	161.720
VI	161.720	8.086	153.634
VII	153.634	7.682	145.952
IX	145.952	7.298	138.655
X	138.655	6.933	131.722
XI	131.722	6.586	125.136
XII	125.136	6.257	118.879
XIII	118.879	5.944	112.935
XIV	112.935	5.647	107.288
XV	107.288	5.364	101.924

PROJECTIONS OF PERFORMANCE & PROFITABILITY

Annexure IV

(Rs in crores)

	I	II	III	IV	V
	80%	90%	100%	100%	100%
Annual receipts and realisation	40.000	45.000	50.000	50.000	50.000
<u>Expenses</u>					
Salary & Wages	6.800	7.400	8.000	8.000	8.000
Power and fuel	0.650	0.750	0.850	0.850	0.850
Repair and Maintance	0.500	0.700	0.800	0.800	0.800
Working expenses	1.500	1.800	2.200	2.200	2.200
Administrative & Gen Exp	2.500	2.600	2.700	2.700	2.700
Depreciation	11.000	10.450	9.928	9.431	8.960
<u>Financing charges(Interest)</u>					
Interest	4.800	4.480	4.160	3.840	3.520
Total expences B+C+D	27.750	28.180	28.638	27.821	27.030
Net profit	12.250	16.820	21.363	22.179	22.970

Annexure V

PROJECTED CASH-FLOW STATEMENTS

(Rs in crore)

<u>Construction</u>						
<u>Source of Funds:</u>		<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
Net profit before taxes with interest added back		17.050	21.300	25.523	26.019	26.490
Increase in Share capital	140.000					
Increase in Term loan	120.000		Nil	Nil	Nil	Nil
Depreciation		11.000	10.450	9.928	9.431	8.960
Total	260.000	28.050	31.750	35.450	35.450	35.450
<u>Disposition of Funds:</u>						
Increase in capital expenditure	260.000					
Loan Repayment		8.000	8.000	8.000	8.000	8.000
Interest		4.800	4.480	4.160	3.840	3.520
Drwings		1.000	2.000	3.000	4.000	5.000
Total	260.000	13.800	14.480	15.160	15.840	16.520
Opening balance		Nil	14.250	31.520	51.810	71.420
Net surplus		14.250	17.270	20.290	19.610	18.930
Closing balance		14.250	31.520	51.810	71.420	90.350

Annexure VI

BREAKE EVEN ANALYSIS

(Rs in crore)					
Particulars	I	II	III	IV	V
<u>A. Variable cost</u>					
1. Power and Fuel	0.650	0.750	0.850	0.850	0.850
2. Repairs and maintenance	0.500	0.700	0.800	0.800	0.800
3. Working expenses	1.500	1.800	2.200	2.200	2.200
	2.650	3.250	3.850	3.850	3.850
<u>B.Semi-Variable & Fixed Cost</u>					
1. Salary and wages	3.400	3.700	4.000	4.000	4.000
2. Administrative Overhead	1.250	1.300	1.350	1.350	1.350
3. Interest	4.800	4.480	4.160	3.840	3.520
4. Depreciation	11.000	10.450	9.928	9.431	8.960
	20.450	19.930	19.438	18.621	17.830
<u>C. Utilisation of capacity</u>					
Sales turnover	40.000	45.000	50.000	50.000	50.000
Less: Variable cost	2.650	3.250	3.850	3.850	3.850
	37.350	41.750	46.150	46.150	46.150
<u>D. Break Even</u>	54%	47%	41%	40%	39%

Annexure VII

DEBT SERVICE COVERAGE RATIO

(Rs in crore)					
	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5nd Year</u>
Net profit	12.250	16.820	21.363	22.179	22.970
Interest	4.800	4.480	4.160	3.840	3.520
Depreciation	11.000	10.450	9.928	9.431	8.960
Total	28.050	31.750	35.450	35.450	35.450
Repayment of Term loan	8.000	8.000	8.000	8.000	8.000
Interest	4.800	4.480	4.160	3.840	3.520
Total	12.800	12.480	12.160	11.840	11.520
D.S.C.R.	1::2.1	1::2.6	1::2.9	1::3.0	1::3.1

Annexure VIII

PROJECTED BALANCE SHEET

(Rs in crore)					
	I Year	II	III	IV	V
<u>LIABILITIES</u>					
Capital	220.000	220.000	220.000	220.000	220.000
<u>Loan Account</u>					
Loan	112.000	104.000	96.000	88.000	80.000
Reserve	14.250	31.520	51.810	71.420	90.350
Total	346.250	355.520	367.810	379.420	390.350
<u>ASSETS</u>					
Assets (fixed)	209.000	198.550	188.623	179.191	170.232
Current assets	116.750	141.770	166.587	189.829	211.918
Cash & Bank Balance	20.500	15.200	12.600	10.400	8.200
Total	346.250	355.520	367.810	379.420	390.350



For K.T. MADHUSUDANAN & Co.
Chartered Accountants

T. Madhusudan FCA, M.No. 200832
FRN 006083S
Proprietor