

14	Manager, Quality Assurance	1	1,500.00	18,000.00	2,700.00	20,700.00
15	Executive, QA	3	1,000.00	36,000.00	5,400.00	41,400.00
16	Assistant, QA	3	750.00	27,000.00	4,050.00	31,050.00
17	Manager, Central Warehouse	1	1,500.00	18,000.00	2,700.00	20,700.00
18	Assistant Officer, Warehouse	1	750.00	9,000.00	1,350.00	10,350.00
19	Asst./Dy. Manager, VAT	1	1,000.00	12,000.00	1,800.00	13,800.00
20	Manager, Maintenance & Utility	1	1,000.00	12,000.00	1,800.00	13,800.00
21	Mechanical Engineer, M & U	1	1,000.00	12,000.00	1,800.00	13,800.00
22	Electrical Engineer, M & U	1	1,000.00	12,000.00	1,800.00	13,800.00
23	Assistant, M & U	4	750.00	36,000.00	5,400.00	41,400.00
Total		101	29,875	766,200	114,930	881,130

INDIRECT COST MANPOWER REQUIREMENTS

Si.No	Position	Numbers	Salary Per Month	Salary Per Year	Welfare Expenses @15%	Grand Total
1	GM/Head of Sales & Marketing	1	1,500	18,000	2,700	20,700
2	AGM/DGM, Sales & Marketing	1	1,500	18,000	2,700	20,700
3	Manager/Sr. Manager, Sales & Marketing	1	750	9,000	1,350	10,350
4	Asst./Dy. Manager, Sales	1	750	9,000	1,350	10,350
5	Officer/Sr. Officer, Sales	1	600	7,200	1,080	8,280
6	Executive, Sales	1	600	7,200	1,080	8,280
7	COO/CEO	1	2,000	24,000	3,600	27,600
8	Manager, Accounts	2	650	15,600	2,340	17,940
9	Officer, Accounts	6	650	46,800	7,020	53,820
10	Officer, Costing	1	650	7,800	1,170	8,970
11	Manager, Admin	5	400	24,000	3,600	27,600
12	Assistant Officer, Admin	2	325	7,800	1,170	8,970
13	Manager, HR	1	1,500	18,000	2,700	20,700
14	Assistant Officer, HR	2	750	18,000	2,700	20,700
15	PRO	2	325	7,800	1,170	8,970
16	Officer, Transport	5	325	19,500	2,925	22,425
17	Driver	6	325	23,400	3,510	26,910
18	Security Guard	5	325	19,500	2,925	22,425
Total		44	13,925	300,600	45,090	345,690

4.3. Profit & Loss

Particulars	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Filling Capacity	50%	60%	70%	80%	90%	90%	90%	90%	90%	90%
Grand Total Revenue OMR	20,052,000	24,062,400	28,072,800	32,083,200	36,093,600	36,093,600	36,093,600	36,093,600	36,093,600	36,093,600
Cost of Revenue (Direct Cost)										
Raw Material	15,039,000	18,046,800	21,054,600	24,062,400	27,070,200	27,070,200	27,070,200	27,070,200	27,070,200	27,070,200
Manpower	881,130	907,564	934,791	962,835	991,720	1,021,471	1,052,115	1,083,679	1,116,189	1,149,675
Utilities	120,000	144,000	168,000	192,000	216,000	216,000	216,000	216,000	216,000	216,000
Maintenance	105,550	105,550	105,550	105,550	105,550	105,550	105,550	105,550	105,550	105,550
Waste	150,390	180,468	210,546	240,624	270,702	270,702	270,702	270,702	270,702	270,702
Total Direct Cost	16,296,070	19,384,382	22,473,487	25,563,409	28,654,172	28,683,923	28,714,568	28,746,131	28,778,641	28,812,127
Gross Profit	3,755,930	4,678,018	5,599,313	6,519,791	7,439,428	7,409,677	7,379,032	7,347,469	7,314,959	7,281,473
Indirect Expenses										
Depreciation	(1,052,056)	(1,052,056)	(1,052,056)	(1,052,056)	(1,052,056)	(1,052,056)	(1,052,056)	(1,052,056)	(1,052,056)	(1,052,056)
Freight & Carriage	(75,195)	(90,234)	(105,273)	(120,312)	(135,351)	(135,351)	(135,351)	(135,351)	(135,351)	(135,351)
Customs & Handling Company	(751,950)	(902,340)	(1,052,730)	(1,203,120)	(1,353,510)	(1,353,510)	(1,353,510)	(1,353,510)	(1,353,510)	(1,353,510)
Manpower Indirect	(345,690)	(356,061)	(366,743)	(377,745)	(389,077)	(400,749)	(412,772)	(425,155)	(437,910)	(451,047)
Marketing, Advertising & Promotion	(300,780)	(360,936)	(421,092)	(481,248)	(541,404)	(541,404)	(541,404)	(541,404)	(541,404)	(541,404)
Lease Office and Stores	(63,000)	(63,000)	(63,000)	(63,000)	(63,000)	(63,000)	(63,000)	(63,000)	(63,000)	(63,000)
Telephone Internet & Fax	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Audit Charges	(1,500)	(2,000)	(2,500)	(3,000)	(3,500)	(4,000)	(4,500)	(5,000)	(5,500)	(6,000)
Waste Disposal	(75,000)	(76,500)	(78,000)	(79,500)	(81,000)	(82,500)	(84,000)	(85,500)	(87,000)	(88,500)
Misc Exp	(25,000)	(26,500)	(28,000)	(29,500)	(31,000)	(32,500)	(34,000)	(35,500)	(37,000)	(38,500)
Insurance	(4,000)	(4,200)	(4,410)	(4,631)	(4,862)	(5,105)	(5,360)	(5,628)	(5,910)	(6,205)
Pre-Operating Expenses	(205,000)									
Total Expenses	(2,909,171)	(2,943,827)	(3,183,804)	(3,424,112)	(3,664,760)	(3,680,176)	(3,695,954)	(3,712,105)	(3,728,641)	(3,745,574)
PBIT/PBT										
PBIT	846,759	1,734,191	2,415,509	3,095,680	3,774,668	3,729,501	3,683,079	3,635,364	3,586,318	3,535,899
Finance Interest Main Loan	(443,311)	(354,649)	(265,987)	(177,324)	(88,662)	-	-	-	-	-
Finance Interest O/Draft W.Capital	(154,271)	(123,417)	(92,562)	(61,708)	(30,854)	-	-	-	-	-
PBT	249,177	1,379,542	2,149,523	2,918,355	3,686,006	3,729,501	3,683,079	3,635,364	3,586,318	3,535,899
Income Tax @ 15%	(37,377)	(206,931)	(322,428)	(437,753)	(552,901)	(559,425)	(552,462)	(545,305)	(537,948)	(530,385)
PAT	211,800	1,172,611	1,827,094	2,480,602	3,133,105	3,170,076	3,130,617	3,090,060	3,048,370	3,005,514

The projections reveal the project will achieve a net profit of 211,800/RO in the first year of operation and increases to 1.1 million OMR in the 2nd year mainly due to the increase of capacity utilisation of 60%. The profitability further increases in the 3rd year of operation mainly due to the increase in capacities to 70% resulting in a net profit of 1.8 million /RO and net profit is predicted to increase in excess of 2.4 million/RO in the 4th year with a revenue of more than 30 million RO. In the 5th year and onwards the net profit will average in the region of 3.0 million RO at a capacity utilisation of 90%

4.4. Capacity Utilization

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Capacity Level %	50%	60%	70%	80%	90%	90%	90%	90%	90%	90%
Product In Km	12,000	14,400	16,800	19,200	21,600	21,600	21,600	21,600	21,600	21,600
Grand Total Revenue OMR	20,052,000	24,062,400	28,072,800	32,083,200	36,093,600	36,093,600	36,093,600	36,093,600	36,093,600	36,093,600

The capacity utilisation will start with 50% in 1st year of operation and is forecasted to increase gradually by 10% y-o-y, 1st year output amounts to 12,000 km and reaching a capacity of 21,600 kilometres in the 6th year of operation.

The revenues in the 1st year amounts to 20 million RO and increasing to 24 million RO in the 2nd year, 3rd year revenue amounts to 28 million RO and reaching in excess of 36 million RO from the 5th year onwards.

4.5. Cash Flow

Particulars	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Activity											
Profit Before Tax PBT		249,177	1,379,542	2,149,523	2,918,355	3,686,006	3,729,501	3,683,079	3,635,364	3,586,318	3,535,899
Depreciation		1,052,056	1,052,056	1,052,056	1,052,056	1,052,056	1,052,056	1,052,056	1,052,056	1,052,056	1,052,056
Interest on Loan ODB		443,311	354,649	265,987	177,324	88,662	-	-	-	-	-
W. Capital Interest O/draft		154,271	123,417	92,562	61,708	30,854	-	-	-	-	-
Cash Flow Operating Activity	-	1,898,815	2,909,664	3,560,128	4,209,444	4,857,578	4,781,557	4,735,135	4,687,421	4,638,374	4,587,956
Investing Activity											
Purchasing of Fixed Assets	(10,555,022)	-	-	-	(80,000)	-	(350,000)	(295,000)	-	-	-
Working Capital & Pre-op	(3,290,415)										
Finance Activity											
Owners Contribution	4,222,009										

Particulars	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Pre-Op Owner Contribution	205,000										
Debt Loan	6,333,013										
Working Capital Overdraft	3,085,415										
ODB Loan Payment											
Loan Payment		(1,266,603)	(1,266,603)	(1,266,603)	(1,266,603)	(1,266,603)	-	-	-	-	-
Interest		(443,311)	(354,649)	(265,987)	(177,324)	(88,662)	-	-	-	-	-
Commercial Loan WC											
Loan Payment		(617,083)	(617,083)	(617,083)	(617,083)	(617,083)	-	-	-	-	-
Interest		(154,271)	(123,417)	(92,562)	(61,708)	(30,854)	-	-	-	-	-
Tax paid		-	(37,377)	(206,931)	(322,428)	(437,753)	(552,901)	(559,425)	(552,462)	(545,305)	(537,948)
Sub Total	13,845,437	(2,481,267)	(2,399,128)	(2,449,166)	(2,445,147)	(2,440,955)	(552,901)	(559,425)	(552,462)	(545,305)	(537,948)
Net Cash Flow	3,290,415	(582,453)	510,536	1,110,962	1,684,297	2,416,623	3,878,656	3,880,710	4,134,959	4,093,069	4,050,008
Open Cash Equivalents	-	3,290,415	2,707,962	3,218,499	4,329,461	6,013,758	8,430,381	12,309,037	16,189,747	20,324,706	24,417,775
Closing Cash Equivalents	3,290,415	2,707,962	3,218,499	4,329,461	6,013,758	8,430,381	12,309,037	16,189,747	20,324,706	24,417,775	28,467,783

The cash flow is positive throughout the projected 10 years with closing cash of 2.7 million RO in year 1 reaching 28.5 million RO in year 10.

4.6. Balance Sheet

Particulars	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
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Current Assets											
Cash & Cash Equivalants	3,290,415	2,707,962	3,218,499	4,329,461	6,013,758	8,430,381	12,309,037	16,189,747	20,324,706	24,417,775	28,467,783
Working capital		-	-	-	-	-	-	-	-	-	-
Sub Total	3,290,415	2,707,962	3,218,499	4,329,461	6,013,758	8,430,381	12,309,037	16,189,747	20,324,706	24,417,775	28,467,783
Non-Current Assets											
Fixed Assets	10,555,022	9,502,966	8,450,910	7,398,854	6,426,797	5,374,741	4,672,685	3,915,629	2,863,572	1,811,516	759,460
Sub Total	10,555,022	9,502,966	8,450,910	7,398,854	6,426,797	5,374,741	4,672,685	3,915,629	2,863,572	1,811,516	759,460
Total Assets	13,845,437	12,210,928	11,669,408	11,728,314	12,440,555	13,805,122	16,981,722	20,105,376	23,188,278	26,229,291	29,227,243
Liabilities											
Current liabilities											
Loan (Short Term) ODB	6,333,013	1,266,603	1,266,603	1,266,603	1,266,603				-	-	-
Loan Short Term WC ODB	3,085,415	617,083	617,083	617,083	617,083			-	-	-	-
Provision for taxation		37,377	206,931	322,428	437,753	552,901	559,425	552,462	545,305	537,948	530,385
Total current liabilities	9,418,428	1,921,062	2,090,617	2,206,114	2,321,439	552,901	559,425	552,462	545,305	537,948	530,385
Loan Long Term ODB		3,799,808	2,533,205	1,266,603	-	-	-	-	-	-	-
Long term ODB w.c.loan		1,851,249	1,234,166	617,083	-	-	-	-	-	-	-
Total current liabilities	-	5,651,057	3,767,371	1,883,686	-	-	-	-	-	-	-
Shareholders											
Shareholders Capital	4,427,009	4,427,009	4,427,009	4,427,009	4,427,009	4,427,009	4,427,009	4,427,009	4,427,009	4,427,009	4,427,009
Legal Reserve											
Profit & Loss Account		211,800	1,384,411	3,211,505	5,692,107	8,825,212	11,995,288	15,125,905	18,215,965	21,264,335	24,269,849
Total equity	4,427,009	4,638,809	5,811,420	7,638,514	10,119,116	13,252,221	16,422,297	19,552,914	22,642,974	25,691,344	28,696,858
Total Liabilities	13,845,437	12,210,928	11,669,408	11,728,314	12,440,555	13,805,122	16,981,722	20,105,376	23,188,278	26,229,291	29,227,243

4.7. Payback Period

Appraisal on Equity Investment												
Particulars	Investment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Yearly Cash flow (OMR '000)	(4,222,009)	(582,453)	510,536	1,110,962	1,684,297	2,416,623	3,878,656	3,880,710	4,134,959	4,093,069	4,050,008	
IRR	29.94%											
NPV @ EQUITY	11,287,386											
Pay Back period	4	Years	7	Months								

Appraisal on Total Investment											
Particulars	Investment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Yearly Cash flow (OMR '000)	(13,845,437)	1,127,461	2,131,788	2,643,551	3,128,225	3,771,888	3,878,656	3,880,710	4,134,959	4,093,069	4,050,008
IRR	16.24%										
NPV @ WACC	7,996,971										
Pay Back period	5	Years	4	Months							

Cost		
Owners' Equity	10.00%	40.00
Finance	5.00%	60.00
Total		100.00
Weighted Average Cost	7.00%	

The IRR on total investment is resulting in **16.24%**,

NPV results in 7.99 million /RO & payback period is 5 years and 4 months.

4.8. Depreciation

Si.No	Particulars	Amount	Years	Percentage	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1a	Plant	8,893,302	10.00	10%	889,330	889,330	889,330	889,330	889,330	889,330	889,330	889,330	889,330	889,330
1b	Building	436,720	20.00	5%	21,836	21,836	21,836	21,836	21,836	21,836	21,836	21,836	21,836	21,836
1c	Vehicles	350,000	5	20%	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
1d	Computers	80,000	3.00	33%	26,640	26,640	26,640	26,640	26,640	26,640	26,640	26,640	26,640	26,640
1e	Office Furniture & Equipment	295,000	6.67	15%	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250
Total		10,055,022		Total Depreciation	1,052,056	1,052,056	1,052,056	1,052,056	1,052,056	1,052,056	1,052,056	1,052,056	1,052,056	1,052,056

	Accumulated depreciation	1,052,056	2,104,112	3,156,169	4,208,225	5,260,281	6,312,337	7,364,394	8,416,450	9,468,506	10,520,562
	Net book value	9,502,966	8,450,910	7,398,854	6,426,797	5,374,741	4,672,685	3,915,629	2,863,572	1,811,516	759,460

4.9. Raw Material Cost

The raw material cost is distributed between copper cathode 85%, PVC & Other 12% & packing material 3%.

Cost per OMR													
Sl. No	Description	Requirement in MT at 100% efficiency	Cost per Ton	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1a	Copper Cathode	85%	2,500	12,632,760	14,738,220	16,843,680	18,949,140	18,949,140	18,949,140	18,949,140	18,949,140	18,949,140	18,949,140
1c	PVC&OTHER	12%	200	4,511,700	5,263,650	6,015,600	6,767,550	6,767,550	6,767,550	6,767,550	6,767,550	6,767,550	6,767,550
1d	Packing Materials	3%	150	902,340	1,052,730	1,203,120	1,353,510	1,353,510	1,353,510	1,353,510	1,353,510	1,353,510	1,353,510
		100%		18,046,800	21,054,600	24,062,400	27,070,200	27,070,200	27,070,200	27,070,200	27,070,200	27,070,200	27,070,200

4.10. Pre-Operating Expenses

Sl.No	Particulars	Amount
1a	Company formation and legal expenses	50,000.00
1b	Project Report ,Technical assistance ,Civil Plan & Estimates	100,000.00
1c	Travelling expenses	40,000.00
1d	Misc Exp.	15,000.00
	Total	205,000.00

4.11. Working Capital

The working capital for the initial start of the project is mainly for the raw material for a period of 2 months amounting to 3.0 million RO and salaries at 2 months amounting to 57,615 RO

Working capital is obtained as an overdraft facility from the banks at the interest rate of 5% over a period of 5 years.

Si.No	Particulars	Months	Amount
1a	Raw material	2	3,007,800.00
1b	Direct Staff	2	57,615.00
1d	Utilities	2	20,000.00
Total			3,085,415.00

Working Capital Loan

Si.No	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1a	Loan Opening Balance	3,085,415	2,468,332	1,851,249	1,234,166	617,083
1b	Interest @ 5%	154,271	123,417	92,562	61,708	30,854
1c	Installments	617,083	617,083	617,083	617,083	617,083
1d	Closing Balance	2,468,332	1,851,249	1,234,166	617,083	-

4.12. Source of Finance

Source of finance consists of 40% contribution by owners and remainder 60% is obtained by a loan facility from bank at the interest rate of 7%.

SI.No.	Particular	Percentage	Amount
1a	Owner Contribution	40%	4,222,009
1b	Loan	60%	6,333,013
Total		100%	10,555,022

4.13. Loan Schedule

Si.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1a	loan Opening Balance	6,333,013.37	5,066,410.69	3,799,808.02	2,533,205.35	1,266,602.67
1b	Interest @ 7%	443,310.94	354,648.75	265,986.56	177,324.37	88,662.19
1c	Installments	1,266,602.67	1,266,602.67	1,266,602.67	1,266,602.67	1,266,602.67
1d	Closing Balance	5,066,410.69	3,799,808.02	2,533,205.35	1,266,602.67	-

4.14. Utility Costs

Description	Cost Per M	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Electricity Per Kw	10.000										
Water Cost per KM		120,000	144,000	168,000	192,000	216,000	216,000	216,000	216,000	216,000	216,000
Diesel											
Total Utility Cost		120,000	144,000	168,000	192,000	216,000	216,000	216,000	216,000	216,000	216,000

Rate Industrial Estate		
Type	Unit	Omani Riyal/Bz
Electricity	KW/hour	0.016
Water	Gallon	0.003

Plant Demand p/hour	Unit	P/SQM Unit Usage
Electricity	KW/hour	0.2
Water	M3	0.2

4.15. Rental Lease

Si. No	Description Lease/Rental Premises	Size sq./m	Cost per Month	Cost per Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1a	Land	7000	0.25	21,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000

Capacity & Selling Price

Products	Installed Capacity Per Hour /kilometer	No of Hrs/Per Shift	No of Shifts Per Day	Working Day's Per Month	Working Months Per Year	Total Production Per Year/KM	Total Production Per Year/KM
PVC Copper cables	5	8	2	25	12	24,000.00	24,000.00

Products	Product %	Size	Type	Percentage of Grade Distribution	Selling Price OMR\KM
PVC Copper cables	100%	Low Voltage/Medium Voltage	Standard		1671.000

4.16. Conclusion

- The production capacity in the 1st year is 50% and increases to a capacity of 60% in the 2nd year, thereafter the capacity utilization increases 10% y-o-y to reach 90% capacity utilization in the 5th year; these capacity utilizations results in the following revenues:
- 1st year revenue amounts to **20.0 million OMR**
- 2st year revenue amounts to **24.0 million OMR**
- 3rd year revenue amounts to a total of **28.0 Million OMR**
Reaching **36.0 Million OMR** in the 10th year.

The above revenue stream reveals the following net profit results:

- The 1st year net profit amounts to **211,800 OMR**.
- 2nd year net-profit amounts to **1.1 million OMR**.
- 3rd year net-profit amounts to **1.8 million OMR**.
- 4th year net-profit amounts to **2.4 million OMR**.
- 5th year net profit will be in region of **3.1 million OMR**.
- 10th year net profit will be in region of **3.0 million OMR**
- Internal Rate of Return (IRR) = **16.24 %**.
- NPV = **7.9 million OMR**.

Pay Back Period = **7 years 3 month**.

(Above is the normal case scenario starting at 60% capacity)

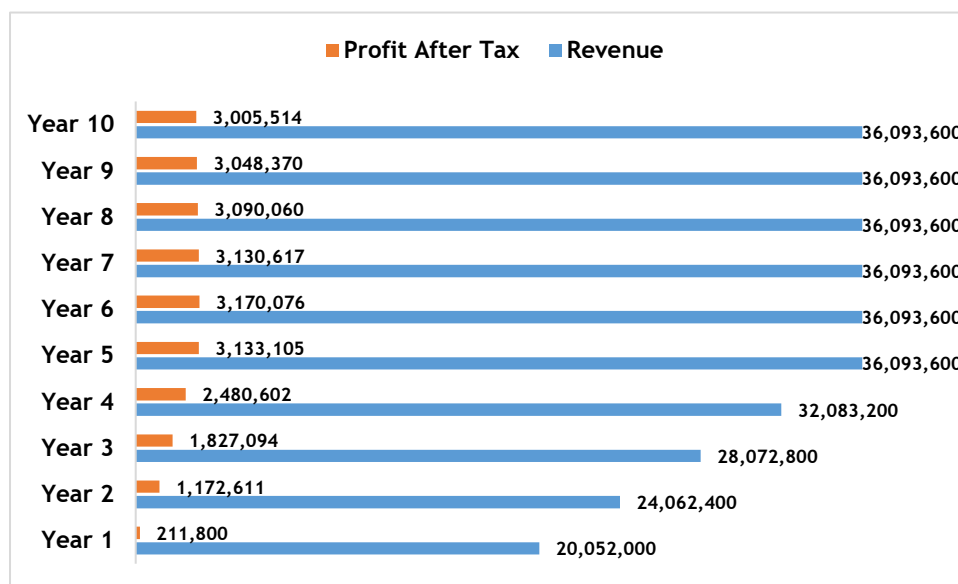


Figure 4-1: Projections Main Scenario - Revenue & Profit After Tax

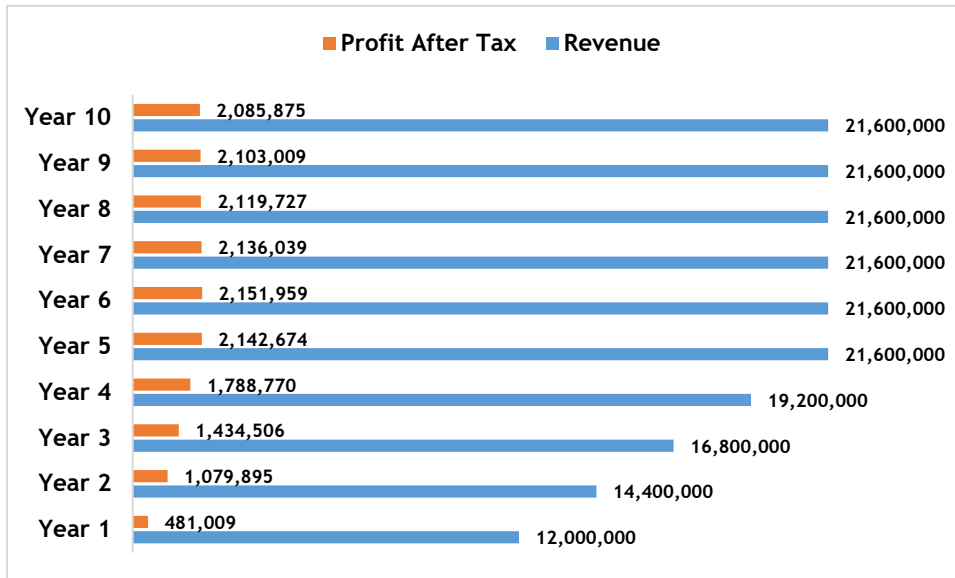


Figure 4-2: Projections Second Scenario - Revenue & Profit After Tax

Scenario 1: High investment Cost 10.0 million RO - CABLE PVC & WIRE OF REFINED COPPER											IRR	NPV	Payback period
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	16.24%	7,996,971	7 Years & 3 Months
Capacity	50%	60%	70%	80%	90%	90%	90%	90%	90%	90%			
Revenue	20,052,000	24,062,400	28,072,800	32,083,200	36,093,600	36,093,600	36,093,600	36,093,600	36,093,600	36,093,600			
Profit After Tax	211,800	1,172,611	1,827,094	2,480,602	3,133,105	3,170,076	3,130,617	3,090,060	3,048,370	3,005,514			
Scenario 2: Low investment Cost 3.12 Million RO - WIRE OF REFINED COPPER ONLY											IRR	NPV	Payback period
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	18.21%	5,161,959	7 Years & 3 Months
Capacity	50%	60%	70%	80%	90%	90%	90%	90%	90%	90%			
Revenue	12,000,000	14,400,000	16,800,000	19,200,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000			
Profit After Tax	481,009	1,079,895	1,434,506	1,788,770	2,142,674	2,151,959	2,136,039	2,119,727	2,103,009	2,085,875			

A second scenario was analysed as a Low investment - WIRE OF REFINED COPPER ONLY, in the 1st year at 50% resulting in a revenue of 12.0 million OMR with a net profit of 481,009 OMR; in the 2nd year the capacity reaches 60% and the revenue reaches 14.0 million OMR with a new profit of 1.0 million OMR, in the 3rd year the capacity is 70% with a revenue of 16.8 million OMR resulting in a net profit of 1.4 million OMR. The revenue and net profit continues to increase gradually and reaches 90% capacity in the 10th year and results in a revenue of 21.6 Million OMR with a net profit of 2.0 million OMR; This Low investment scenario results in an IRR of 18.21% and NPV of 5.1 Million OMR to conclude a payback period of 7 years and 3 months.

- The project has a medium to high viability due to mainly the raw material availability & regional demand of cables.
- The electrical cable industry has a wide product range and is a necessity in the construction & building sector.
- The net profit is positive in year 1 at 1.0% & year 2 at 4.87% & increases at relatively good levels as it reaches 6.51% in year 3, 7.73% in year 4, and averages in the range of 8.5% in the following years.
- IRR is acceptable @ 16.24% and payback is acceptable within 7 year & 3 months.

Financial Analysis Low Investment: Wire of Refined Copper Only

Financial Analysis Low investment: Wire of Refined Copper only

5.1. Cost of Investment Capex

The total cost of Main machinery amounts to 2.2 million /RO sourced international machinery supplier.

Building cost is costed at minimum with a contingency of 3% for reasons of price fluctuation in construction material cost.

The total cost of vehicles amounts to 350,000 /RO source from a local vehicle supplier.

Si. No.	Description	Quantity		Total Cost OMR
Main Plant & Machinery				
A1	Copper Plant	SCOTLAND/CHINA		600,000
A2	Rod Breakdown Line for Copper	GERMANY/INDIA		120,000
A3	Intermediate Drawing Line for Copper	CHINA		46,000
A4	Multi Wire Drawing Line for Copper	GERMANY/INDIA		200,000
A5	DT Bunching (4 X 630 mm + 2 X 800 mm)	GERMANY/INDIA/CHINA		250,000
A6	7 B 630 mm Tubular Stranding (3 Nos.)	CHINA/INDIA		210,000
A7	7 B 630 mm Skip Stranding	CHINA/INDIA		85,000
A8	91 B 630 mm Rigid Stranding	CHINA/INDIA		90,000
A9	37 B 630 mm Rigid Stranding	CHINA/INDIA		160,000
A10	Drum Twister Cum Laying Up Line	CHINA/INDIA		260,000
A11	96 B 400 mm Armoring Tandem Line	CHINA/INDIA		190,000
A27	Laboratory Equipments	CHINA		4,000
		Sub Total		2,215,000
	GRAND TOTAL			2,215,000.00
Equipment Cost				
E1	Packing ,Forwarding ,Insurance, Frieght			150,000
E2	Erection and Installation			65,000
E3	Electrification and Installation & Security deposits			50,000
E4	Cost of Transformer			25,000
E5	Moulds and Assembly			60,000
	Total			350,000
Building				
B1	Land@ Biza 0.250 /M2 + 10% registration expenses	4000	0.25	1,000
B2	Work shed @ RO 5/500 sq/ft	25200	5.5	138,600
B3	Boundary wall			30,000
B4	Office @ Ro 6/800 sq.ft.	1000	60	60,000
B5	Security office and Gate			20,000
B6	Staff room and Toilet			70,000

Si. No.	Description	Quantity		Total Cost OMR
B7	Laboratory Room @ Ro5.500/- sq.ft.	800	5.5	4,400
B8	Land development			50,000
B9	Generator Room			50,000
	Sub Total			424,000
			Contingency @ 3%	12,720
	Total Cost			436,720
	Vehicles	No	Capacity	Total R.O
v1	Delivery Van	3	3 MT	60,000
v2	Truck	1	5 MT	40,000
v3	Truck	1	7 MT	50,000
v4	Delivery Pick-up	5	2 MT	150,000
v5	Cars	10	-	50,000
	Total Transportation Vehicle Cost			350,000
	Office Furniture & Equipment			
1a	Computer ,Printer ,UPS ,Fax,			35,000.00
			Total	35,000.00
1b	Furniture Desk & Chairs			20,000.00
1c	Electrification & Air Conditioning			25,000.00
1e	Misc			45,000.00
	Total			90,000.00
Grand Total				3,126,720.00

5.2. Investment Cost

Si.No.	Investment Cost	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
1a	Plant	2,215,000										
	Equipment	350,000										
1a	Building	436,720										
1a	Vehicles	350,000						350,000				
1a	Computers	35,000				35,000						
1a	Office Furniture & Equipment	90,000							90,000			
Total Investment Cost (Fixed Assets)		3,476,720	-	-	-	35,000	-	350,000	90,000	-	-	-
	Acc. Cost	3,476,720	3,476,720	3,476,720	3,476,720	3,511,720	3,511,720	3,861,720	3,951,720	3,951,720	3,951,720	3,951,720
		3,476,720	10,555,022	10,555,022	10,555,022	10,555,022	10,555,022	10,555,022	10,555,022	10,555,022	10,555,022	10,555,022

5.3. Manpower

The manpower requirements are based on company industry experts experience to deem the plant operational.

The Omanisation percentage will be a minimum of 70% of the total 145 workforce.

Direct staff include employees responsible for the operational and production of the Cable product and indirect staff include office staff.

DIRECT COST MANPOWER REQUIREMENTS						
Si.No	Position	Numbers	Salary Per Month	Salary Per Year	Welfare Expenses @15%	Grand Total
1	GM/Plant In-Charge	1	3,000	36,000	5,400	41,400
4	Dy./Asst Manager, Production	2	2,000	48,000	7,200	55,200
6	Engineer, Production	2	1,500	36,000	5,400	41,400
7	Machine Operator	6	400	28,800	4,320	33,120
8	Worker/Helper, Production	10	100	12,000	1,800	13,800
9	Officer, Packaging	1	600	7,200	1,080	8,280
10	Packaging Worker	3	325	11,700	1,755	13,455
11	Executive, QA	1	1,000	12,000	1,800	13,800
12	Assistant Officer, Warehouse	1	750	9,000	1,350	10,350
13	Electrical Engineer, M & U	1	1,000	12,000	1,800	13,800
14	Assistant, M & U	2	750	18,000	2,700	20,700
Total		29	29,875	230,700	34,605	265,305
INDIRECT COST MANPOWER REQUIREMENTS						

Si.No	Position	Numbers	Salary Per Month	Salary Per Year	Welfare Expenses @15%	Grand Total
1	GM/Head of Sales & Marketing	1	1,500	18,000	2,700	20,700
2	Manager/Sr. Manager, Sales & Marketing	1	750	9,000	1,350	10,350
3	Officer/Sr. Officer, Sales	2	600	14,400	2,160	16,560
4	Manager, Accounts	1	650	7,800	1,170	8,970
5	Officer, Accounts	2	650	15,600	2,340	17,940
6	Officer, Costing	1	650	7,800	1,170	8,970
7	Manager, HR	1	1,500	18,000	2,700	20,700
8	Assistant Officer, HR	2	750	18,000	2,700	20,700
9	PRO	2	325	7,800	1,170	8,970
10	Driver	5	325	19,500	2,925	22,425
11	Security Guard	2	325	7,800	1,170	8,970
Total		20	13,925	143,700	21,555	165,255

5.4. Profit & Loss

Particulars	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Filling Capacity	50%	60%	70%	80%	90%	90%	90%	90%	90%	90%
Grand Total Revenue OMR	12,000,000	14,400,000	16,800,000	19,200,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000
Cost of Revenue (Direct Cost)										
Raw Material	9,000,000	10,800,000	12,600,000	14,400,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000
Manpower	265,305	273,264	281,462	289,906	298,603	307,561	316,788	326,292	336,080	346,163
Utilities	120,000	144,000	168,000	192,000	216,000	216,000	216,000	216,000	216,000	216,000
Maintenance	34,767	105,550	105,550	105,550	105,550	105,550	105,550	105,550	105,550	105,550
Waste	180,000	216,000	252,000	288,000	324,000	324,000	324,000	324,000	324,000	324,000
Total Direct Cost	9,600,072	11,538,814	13,407,012	15,275,456	17,144,153	17,153,111	17,162,338	17,171,842	17,181,631	17,191,713
Gross Profit	2,399,928	2,861,186	3,392,988	3,924,544	4,455,847	4,446,889	4,437,662	4,428,158	4,418,369	4,408,287
Indirect Expenses										
Depreciation	(338,491)	(338,491)	(338,491)	(338,491)	(338,491)	(338,491)	(338,491)	(338,491)	(338,491)	(338,491)
Freight & Carriage	(45,000)	(54,000)	(63,000)	(72,000)	(81,000)	(81,000)	(81,000)	(81,000)	(81,000)	(81,000)
Customs & Handling Company	(450,000)	(540,000)	(630,000)	(720,000)	(810,000)	(810,000)	(810,000)	(810,000)	(810,000)	(810,000)
Manpower Indirect	(165,255)	(170,213)	(175,319)	(180,579)	(185,996)	(191,576)	(197,323)	(203,243)	(209,340)	(215,620)
Marketing, Advertising & Promotion	(180,000)	(216,000)	(252,000)	(288,000)	(324,000)	(324,000)	(324,000)	(324,000)	(324,000)	(324,000)

Particulars	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Lease Office and Stores	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)
Telephone Internet & Fax	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Audit Charges	(1,500)	(2,000)	(2,500)	(3,000)	(3,500)	(4,000)	(4,500)	(5,000)	(5,500)	(6,000)
Waste Disposal	(75,000)	(76,500)	(78,000)	(79,500)	(81,000)	(82,500)	(84,000)	(85,500)	(87,000)	(88,500)
Misc Exp	(25,000)	(26,500)	(28,000)	(29,500)	(31,000)	(32,500)	(34,000)	(35,500)	(37,000)	(38,500)
Insurance	(4,000)	(4,200)	(4,410)	(4,631)	(4,862)	(5,105)	(5,360)	(5,628)	(5,910)	(6,205)
Pre-Operating Expenses	(205,000)									
Total Expenses	(1,535,246)	(1,473,904)	(1,617,720)	(1,761,700)	(1,905,849)	(1,915,172)	(1,924,674)	(1,934,362)	(1,944,241)	(1,954,317)
PBIT/PBT										
PBIT	864,682	1,387,282	1,775,268	2,162,844	2,549,998	2,531,717	2,512,987	2,493,796	2,474,128	2,453,970
Finance Interest Main Loan	(146,022)	(116,818)	(87,613)	(58,409)	(29,204)	-	-	-	-	-
Finance Interest O/Draft W. Capital	(152,767)	(122,214)	(91,660)	(61,107)	(30,553)	-	-	-	-	-
PBT	565,892	1,270,464	1,687,654	2,104,435	2,520,793	2,531,717	2,512,987	2,493,796	2,474,128	2,453,970
Income Tax @ 15%	(84,884)	(190,570)	(253,148)	(315,665)	(378,119)	(379,757)	(376,948)	(374,069)	(371,119)	(368,096)
PAT	481,009	1,079,895	1,434,506	1,788,770	2,142,674	2,151,959	2,136,039	2,119,727	2,103,009	2,085,875

The projections reveal the project will achieve a net profit of 481,009/RO in the first year of operation and increases to 1.0 million OMR in the 2nd year mainly due to the increase of capacity utilisation of 60%. The profitability further increases in the 3rd year of operation resulting in a net profit of 1.4 million /RO and net profit is predicted to increase in excess of 2.0 million/RO in the 5th year with a revenue of more than 20 million RO. In the 5th year and onwards the net profit will average in the region of 2.0 million RO at a capacity utilisation of 90%.

5.5. Capacity Utilisation

The capacity utilisation will start with 50% in 1st year of operation and is forecasted to increase gradually by 10% y-o-y, 1st year output amounts to 12,000 km and reaching a capacity of 21,600 kilometres in the 6th year of operation.

The revenues in the 1st year amounts to 12.0 million RO and increasing to 14.4 million RO in the 2nd year, 3rd year revenue amounts to 16.9 million RO and reaching in excess of 20.0 million RO from the 5th year onwards.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Capacity Level %	50%	60%	70%	80%	90%	90%	90%	90%	90%	90%
Product In Km	12,000	14,400	16,800	19,200	21,600	21,600	21,600	21,600	21,600	21,600
PVC Copper Cabel (All Catagoriez)										
Grand Total Revenue OMR	12,000,000	14,400,000	16,800,000	19,200,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000
*** The demand on PVC Cables is increasing in particular for Road Lighting Projects										

5.6. Cash Flow

The cash flow is positive throughout the projected 10 years with closing cash of 3.1 million RO in year 1 reaching 18.9 million RO in year 10.

Particulars	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Activity											
Profit Before Tax PBT		565,892	1,270,464	1,687,654	2,104,435	2,520,793	2,531,717	2,512,987	2,493,796	2,474,128	2,453,970
Depreciation		338,491	338,491	338,491	338,491	338,491	338,491	338,491	338,491	338,491	338,491
Interest on Loan ODB		146,022	116,818	87,613	58,409	29,204	-	-	-	-	-
W. Capital Interest O/draft		152,767	122,214	91,660	61,107	30,553	-	-	-	-	-
Cash Flow Operating Activity	0	1,203,173	1,847,987	2,205,419	2,562,442	2,919,042	2,870,208	2,851,478	2,832,287	2,812,619	2,792,461
Investing Activity											
Purchasing of Fixed Assets	(3,476,720)	-	-	-	(35,000)	-	(350,000)	(90,000)	-	-	-
Working Capital & Pre-op	(3,260,343)										
Finance Activity											
Owners Contribution	1,390,688										
Pre-Op Owner Contribution	205,000										
Debt Loan	2,086,032										

Particulars	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Working Capital Overdraft	3,055,343										
ODB Loan Payment											
Loan Payment		(417,206)	(417,206)	(417,206)	(417,206)	(417,206)	-	-	-	-	-
Interest		(146,022)	(116,818)	(87,613)	(58,409)	(29,204)	-	-	-	-	-
Commercial Loan WC											
Loan Payment		(611,069)	(611,069)	(611,069)	(611,069)	(611,069)	-	-	-	-	-
Interest		(152,767)	(122,214)	(91,660)	(61,107)	(30,553)	-	-	-	-	-
Tax paid		-	(84,884)	(190,570)	(253,148)	(315,665)	(378,119)	(379,757)	(376,948)	(374,069)	(371,119)
Sub Total	6,737,063	(1,327,064)	(1,352,190)	(1,398,118)	(1,400,939)	(1,403,698)	(378,119)	(379,757)	(376,948)	(374,069)	(371,119)
Net Cash Flow	3,260,343	(123,891)	495,796	807,301	1,126,503	1,515,344	2,142,089	2,381,721	2,455,339	2,438,550	2,421,342
Open Cash equivalents	-	3,260,343	3,136,451	3,632,247	4,439,548	5,566,051	7,081,395	9,223,484	11,605,205	14,060,543	16,499,093
Closing Cash Equivalents	3,260,343	3,136,451	3,632,247	4,439,548	5,566,051	7,081,395	9,223,484	11,605,205	14,060,543	16,499,093	18,920,435

5.7. Balance Sheet

Particulars	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Assets											
Cash & Cash Equivalents	3,260,343	3,136,451	3,632,247	4,439,548	5,566,051	7,081,395	9,223,484	11,605,205	14,060,543	16,499,093	18,920,435
Working capital		-	-	-	-	-	-	-	-	-	-
Sub Total	3,260,343	3,136,451	3,632,247	4,439,548	5,566,051	7,081,395	9,223,484	11,605,205	14,060,543	16,499,093	18,920,435
Non-Current Assets											
Fixed Assets	3,476,720	3,138,229	2,799,738	2,461,247	2,157,756	1,819,265	1,830,774	1,582,283	1,243,792	905,301	566,810
Sub Total	3,476,720	3,138,229	2,799,738	2,461,247	2,157,756	1,819,265	1,830,774	1,582,283	1,243,792	905,301	566,810
Total Assets	6,737,063	6,274,680	6,431,985	6,900,795	7,723,807	8,900,660	11,054,258	13,187,488	15,304,335	17,404,394	19,487,245
Liabilities											
Current liabilities											
Loan (Short Term) ODB	2,086,032	417,206	417,206	417,206	417,206				-	-	-
Loan Short Term WC ODB	3,055,343	611,069	611,069	611,069	611,069				-	-	-
Provision for taxation		84,884	190,570	253,148	315,665	378,119	379,757	376,948	374,069	371,119	368,096
Total current liabilities	5,141,375	1,113,159	1,218,845	1,281,423	1,343,940	378,119	379,757	376,948	374,069	371,119	368,096
Loan Long Term ODB		1,251,619	834,413	417,206	-	-	-	-	-	-	-
Long term ODB w.c.loan		1,833,206	1,222,137	611,069	-	-	-	-	-	-	-
Total current liabilities	-	3,084,825	2,056,550	1,028,275	-	-	-	-	-	-	-
Shareholders											
Shareholders Capital	1,595,688	1,595,688	1,595,688	1,595,688	1,595,688	1,595,688	1,595,688	1,595,688	1,595,688	1,595,688	1,595,688

Particulars	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Legal Reserve											
Profit & Loss Account		481,009	1,560,903	2,995,409	4,784,179	6,926,853	9,078,812	11,214,851	13,334,578	15,437,587	17,523,462
Total equity	1,595,688	2,076,697	3,156,591	4,591,097	6,379,867	8,522,541	10,674,500	12,810,539	14,930,266	17,033,275	19,119,150
Total Liabilities	6,737,063	6,274,680	6,431,985	6,900,795	7,723,807	8,900,660	11,054,258	13,187,488	15,304,335	17,404,394	19,487,245

5.8. Payback Period

Appraisal on Equity Investment											
Particulars	Investment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Yearly Cash flow (OMR '000)	(1,390,688)	(123,891)	495,796	807,301	1,126,503	1,515,344	2,142,089	2,381,721	2,455,339	2,438,550	2,421,342
IRR	48.66%										
NPV @ EQUITY	8,422,301										
Pay Back period	4	Years	-7	Months							

Appraisal on Total Investment											
Particulars	Investment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Yearly Cash flow (OMR '000)	(6,737,063)	439,337	1,029,821	1,312,121	1,602,118	1,961,755	2,142,089	2,381,721	2,455,339	2,438,550	2,421,342
IRR	18.21%										
NPV @ WACC	5,161,959										
Pay Back period	7	Years	3	Months							

Cost		
Owners' Equity	10.00%	40.00
Finance	5.00%	60.00
Total		100.00
Weighted Average Cost	7.00%	

The IRR on total investment is resulting in **18.21%**,

NPV results in 5.1 million /RO & payback period is 7 years and 3 months.

5.9. Depreciation

Si.No	Particulars	Amount	Years	Percentage	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1a	Plant	2,215,000	10.00	10%	221,500	221,500	221,500	221,500	221,500	221,500	221,500	221,500	221,500	221,500
1b	Building	436,720	20.00	5%	21,836	21,836	21,836	21,836	21,836	21,836	21,836	21,836	21,836	21,836
1c	Vehicles	350,000	5	20%	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
1d	Computers	35,000	3.00	33%	11,655	11,655	11,655	11,655	11,655	11,655	11,655	11,655	11,655	11,655
1e	Office Furniture & Equipment	90,000	6.67	15%	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
	Total	3,126,720	Total Depreciation		338,491	338,491	338,491	338,491	338,491	338,491	338,491	338,491	338,491	338,491
	Accumulated depreciation				338,491	676,982	1,015,473	1,353,964	1,692,455	2,030,946	2,369,437	2,707,928	3,046,419	3,384,910
	Net book value				3,138,229	2,799,738	2,461,247	2,157,756	1,819,265	1,830,774	1,582,283	1,243,792	905,301	566,810

5.10. Raw Material Cost

The raw material cost is distributed between copper cathode 100%

Cost per OMR													
Si. No	Description	Percentage Of Material Used	Cost per Ton	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1a	Copper Cathode	100%	2500	18,046,800	14,738,220	16,843,680	18,949,140	18,949,140	18,949,140	18,949,140	18,949,140	18,949,140	18,949,140
				18,046,800	14,738,220	16,843,680	18,949,140	18,949,140	18,949,140	18,949,140	18,949,140	18,949,140	18,949,140

5.11. Pre-Operating Expenses

Si.No	Particulars	Amount
1a	Company formation and legal expenses	50,000.00
1b	Project Report ,Technical assistance ,Civil Plan & Estimates	100,000.00
1c	Travelling expenses	40,000.00
1d	Misc Exp.	15,000.00
Total		205,000.00

5.12. Working Capital

The working capital for the initial start of the project is mainly for the raw material for a period of 2 months amounting to 3.0 million RO and salaries at 2 months amounting to 27,542 RO

Working capital is obtained as an overdraft facility from the banks at the interest rate of 5% over a period of 5 years.

Si.No	Particulars	Months	Amount
1a	Raw material	2	3,007,800.00
1b	Direct Staff	2	27,542.50
1d	Utilities	2	20,000.00
Total			3,055,342.50

5.13. Working Capital Loan

Sl.No	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1a	Loan Opening Balance	3,055,343	2,444,274	1,833,206	1,222,137	611,069
1b	Interest @ 5%	152,767	122,214	91,660	61,107	30,553
1c	Installments	611,069	611,069	611,069	611,069	611,069
1d	Closing Balance	2,444,274	1,833,206	1,222,137	611,069	-

5.14. Source of Finance

Source of finance consists of 40% contribution by owners and remainder 60% is obtained by a loan facility from bank at the interest rate of 7%

Sl.No.	Particular	Percentage	Amount
1a	Owner Contribution	40%	1,390,688.00
1b	Loan	60%	2,086,032.00
Total		100%	3,476,720.00

5.15. Loan Schedule

Si.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1a	loan Opening Balance	2,086,032	1,668,826	1,251,619	834,413	417,206
1b	Interest @ 7%	146,022	116,818	87,613	58,409	29,204
1c	Installments	417,206	417,206	417,206	417,206	417,206
1d	Closing Balance	1,668,826	1,251,619	834,413	417,206	-

5.16. Utility Costs

Description	Cost Per M	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Electricity Per Kw	10.000										
Water Cost per KM		120,000	144,000	168,000	192,000	216,000	216,000	216,000	216,000	216,000	216,000
Diesel											
Total Utility Cost		120,000	144,000	168,000	192,000	216,000	216,000	216,000	216,000	216,000	216,000

Rate Industrial Estate		
Type	Unit	Omani Riyal/Bz
Electricity	KW/hour	0.016
Water	Gallon	0.003

Plant Demand p/hour	Unit	P/SQM Unit Usage
Electricity	KW/hour	0.2
Water	M3	0.2

5.17. Rental Lease

Products	Installed Capacity Per Hour /kilometer	No of Hrs/Per Shift	No of Shifts Per Day	Working Day's Per Month	Working Months Per Year	Total Production Per Year/KM
Copper Wire	5	8	2	25	12	24,000.00

Si. No	Description Lease/Rental Premises	Size sq/m	Cost per Month	Cost per Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1a	Land	4000	0.25	12,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000

5.18. Capacity & Selling Price

Products	Product %	Size	Type	Percentage of Grade Distribution	Selling Price OMR\KM
Copper Wire	100%	Low Voltage/Medium Voltage	Standard		1000.000

Annexure - Oman Cable Financial Data

OMAN CABLES INDUSTRY SAOG AND ITS SUBSIDIARY

Notes to the consolidated financial statements at 31 December 2016 (continued)

Consolidated statement of profit or loss for the year ended 31 December 2016

	Notes	Group 2016 RO	Parent company 2016 RO	Group 2015 RO	Parent Company 2015 RO
Sales		228,639,250	206,270,813	283,470,465	231,486,089
Cost of sales	24	(200,041,245)	(174,862,266)	(248,314,501)	(205,253,138)
Gross profit		28,598,005	25,468,547	35,155,964	26,232,951
Other income	25	228,820	750,916	224,025	2,625,234
Administrative expenses	26	(6,079,909)	(4,890,478)	(6,223,206)	(4,817,859)
Selling and distribution expenses	27	(4,659,595)	(3,443,910)	(4,317,013)	(3,005,734)
Depreciation		(240,273)	(157,866)	(239,299)	(153,233)
Operating profit		18,447,042	17,767,212	24,600,471	20,881,659
Finance costs	28	(631,644)	(407,592)	(885,387)	(710,320)
Finance income		34,564	34,564	101,766	101,766
Share of results of an associate	7	29,556	29,556	688	688
Profit before income tax		17,879,518	17,363,740	23,817,438	20,273,793
Income tax expense	20	(2,102,177)	(1,969,269)	(2,474,633)	(2,122,948)
Profit for the year		15,777,341	15,394,471	21,342,905	18,150,845
Attributable to:					
Equity holders of the parent		15,253,740	15,394,471	18,506,792	18,150,845
Non-controlling interests		523,601	-	2,636,113	-
		15,777,341	15,394,471	21,342,905	18,150,845
Basic and diluted earnings per share attributable to ordinary equity holders of the parent company	30	0.170	0.172	0.206	0.202
Gross profit margin		12.51%	12.72%	12.40%	11.33%
Net profit margin		6.90%	7.69%	7.53%	7.84%

The accompanying notes form an integral part of these consolidated financial statements

OMAN CABLES INDUSTRY SAOG AND ITS SUBSIDIARY

Notes to the consolidated financial statements at 31 December 2016 (continued)

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2016

	Notes	Group 2016 RO	Parent Company 2016 RO	Group 2015 RO	Parent Company 2015 RO
Profit for the year		15,777,341	15,394,471	21,342,905	18,150,845
Other comprehensive (expense) / income					
Items that may be reclassified subsequently to profit or loss:					
Net movement in hedging commodity future contracts		2,229,146	2,478,107	(1,503,292)	(800,364)
Net movement in available-for-sale investments		-	-	(3,547)	(3,547)
Exchange difference on foreign currency translation of associate	7	(14,929)	(14,929)	(23,784)	(23,784)
Other comprehensive income / (expense) for the year		2,214,217	2,463,178	(1,530,623)	(907,695)
Total comprehensive income for the year		17,991,558	17,857,649	19,812,282	17,243,150
Attributable to:					
Equity holders of the parent		17,589,948	17,857,649	17,281,404	17,243,150
Non-controlling interests		401,610	-	2,530,878	-
		17,991,558	17,857,649	19,812,282	17,243,150

The accompanying notes form an integral part of these consolidated financial statements

OMAN CABLES INDUSTRY (SAOG) AND ITS SUBSIDIARIES

Statement of income for the year ended 31 December 2017

	Notes	Group 2017 RO	Parent company 2017 RO	Group 2016 RO	Parent Company 2016 RO
Sales		242,632,379	199,469,406	228,639,250	200,270,813
Cost of sales	22	(223,362,522)	(180,858,926)	(200,041,245)	(174,802,266)
Gross profit		18,645,857	18,610,480	28,598,005	25,468,547
Other income	23	112,326	55,857	228,520	730,016
Administrative expenses	24	(6,147,463)	(5,085,977)	(6,079,909)	(4,890,475)
Selling and distribution expenses	25	(3,329,763)	(3,071,892)	(4,059,595)	(3,443,010)
Depreciation		(193,901)	(112,678)	(240,279)	(157,866)
Operating profit		8,491,050	10,395,790	18,447,042	17,707,212
Finance costs	26	(609,526)	(330,751)	(631,644)	(407,592)
Finance income		61,543	57,464	34,564	34,564
Share of results of an associate		9,790	9,790	29,556	29,556
Fair value adjustment on conversion of an associate to subsidiary	6	(269,262)	(269,262)	-	-
Profit before income tax		7,663,581	9,843,011	17,879,518	17,363,740
Income tax expense	18	(1,799,078)	(1,690,699)	(2,102,177)	(1,969,269)
Profit for the year		5,864,503	8,152,312	15,777,341	15,394,471
Attributable to:					
Equity holders of the parent		6,844,727	8,152,312	15,253,740	15,394,471
Non-controlling interests		(980,224)	-	523,601	-
		5,864,503	8,152,312	15,777,341	15,394,471
Basic and diluted earnings per share attributable to ordinary equity holders of the parent company	28	0.076	0.091	0.170	0.172
Gross profit margin		7.69%	9.33%	12.51%	12.72%
Net profit margin		2.42%	4.09%	6.90%	7.69%

The accompanying notes form an integral part of these financial statements

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OMAN CABLES INDUSTRY (SAOG) AND ITS SUBSIDIARIES

Statement of comprehensive income for the year ended 31 December 2017

	Notes	Group 2017 RO	Parent Company 2017 RO	Group 2016 RO	Parent Company 2016 RO
Profit for the year		5,864,503	8,152,312	15,777,341	15,394,471
Other comprehensive (loss)/ income					
Items that may be reclassified subsequently to profit or loss:					
Net movement in hedging commodity future contracts		(563,333)	(546,952)	2,229,146	2,478,107
Exchange difference on foreign currency translation of subsidiary		95,159	95,159	(14,929)	(14,929)
Other comprehensive (loss)/ income for the year		(468,174)	(451,793)	2,214,217	2,463,178
Total comprehensive income for the year		5,396,329	7,700,519	17,991,558	17,857,649
Attributable to:					
Equity holders of the parent		6,384,580	7,700,519	17,589,946	17,857,649
Non-controlling interests		(988,251)	-	401,610	-
		5,396,329	7,700,519	17,991,558	17,857,649

The accompanying notes form an integral part of these financial statements

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OMAN CABLES INDUSTRY (SAOG) AND ITS SUBSIDIARIES

Notes to the financial statements at 31 December 2018 (continued)

Statement of income for the year ended 31 December 2018

Notes	Group 2018 RO	Parent company 2018 RO	Group 2017 RO Restated	Parent Company 2017 RO
Sales	247,011,253	193,955,918	242,258,265	199,469,406
Cost of sales	(227,836,568)	(177,027,104)	(223,595,667)	(180,858,926)
Gross profit	19,174,685	16,928,814	18,662,598	18,610,480
Other income	209,080	102,911	112,326	55,857
Administrative expenses	(4,812,432)	(3,590,834)	(6,147,469)	(5,085,977)
Selling and distribution expenses	(3,426,343)	(2,447,159)	(3,929,763)	(3,071,892)
Depreciation	(145,728)	(89,047)	(193,901)	(112,678)
Operating profit	10,999,202	10,894,685	8,503,791	10,395,790
Finance costs	(632,350)	(306,253)	(690,448)	(407,137)
Finance income	434,706	394,047	142,471	133,850
Share of results of an associate	-	-	9,790	9,790
Fair value adjustment on conversion of an associate to subsidiary	-	-	(289,282)	(289,282)
Profit before income tax	10,801,558	10,982,479	7,676,322	9,843,011
Income tax expense	(1,667,564)	(1,717,330)	(1,799,078)	(1,690,699)
Profit for the year	9,133,994	9,265,149	5,877,244	8,152,312
Attributable to:				
Equity holders of the parent	9,214,465	9,265,149	6,851,225	8,152,312
Non-controlling interests	(80,471)	-	(973,981)	-
	9,133,994	9,265,149	5,877,244	8,152,312
Basic and diluted earnings per share attributable to ordinary equity holders of the parent company	0.103	0.103	0.075	0.091
Gross profit margin	7.76%	8.73%	7.70%	9.33%
Net profit margin	3.70%	4.78%	2.43%	4.09%

The accompanying notes 1 to 36 form an integral part of these financial statements

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OMAN CABLES INDUSTRY (SAOG) AND ITS SUBSIDIARIES

Notes to the financial statements at 31 December 2018 (continued)

Statement of comprehensive income for the year ended 31 December 2018

	Group 2018 RO	Parent Company 2018 RO	Group 2017 RO Restated	Parent Company 2017 RO
Profit for the year	9,133,994	9,265,149	5,877,244	8,152,312
Other comprehensive income Items that may be reclassified subsequently to profit or loss:				
Net movement in hedging commodity future contracts	(1,052,249)	(1,583,111)	(563,333)	(546,952)
Exchange difference on foreign currency translation of subsidiary	(74,383)	-	95,159	95,159
Other comprehensive loss for the year	(1,126,632)	(1,583,111)	(468,174)	(451,793)
Total comprehensive income for the year	8,007,362	7,682,038	5,409,070	7,700,519
Attributable to:				
Equity holders of the parent	7,827,711	7,682,038	6,391,078	7,700,519
Non-controlling interests	179,651	-	(982,008)	-
	8,007,362	7,682,038	5,409,070	7,700,519

The accompanying notes 1 to 36 form an integral part of these financial statements

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