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Manual for Profit & Loss account entries

User manual for CMA Entries



Merger & Acquisition Division
SMB ENABLERS PRIVATE LIMITED

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GENERAL INSTRUCTIONS RELATING TO P&L AND BALANCE SHEET DATA ENTRY

- I. You are required to fill three years data. Most of the banks expect it. Three Audited Accounts or Two Audited Accounts and one Provisional Account.
- II. Form is constructed in the same way as schedules. Simply start typing the figures based on your Audited and Provisional Accounts.
- III. Sales are increased at a specific percentage. [Due to COVID-19, sales is slightly reduced for the accounting year 2020-21.]
- IV. All the Assumptions collected from you, and made by us are listed in an “ASSUMPTION SHEET”
The Excel workbook that you will get as Output is macro-driven. This contains a sheet called
- V. “ASSUMPTIONS”. If you want to change the projections all you have to do is visit Assumptions sheet and modify assumptions.
When you mouse over assumptions sheet, you can see the relevant comment. This will tell you what to change to get the results.
- VI. Projection is done for 12 years. Printing is formatted for twelve years. If you want you may hide extra columns. We suggest, you leave it as such. Bankers will love it.
- VII. The sheet is print ready. You can simply print each sheet(s) and submit it to your banker.
- VIII. You can change the “Applicant Bank” and take a new sheet any number of times. Just change the name of bank in Assumptions sheet.
- IX. Take a Paper, pen and a calculator handy. It will make the data entry faster.
- X. Start Typing from the schedules. The web form that you will see is strictly based on the schedules to Balance sheet and Profit & Loss Account.
- XI. Future Loan details and fixed Assets schedules can be kept in the end. They are a bit time consuming.
Once you have the workbook downloaded, if you have any difficulty, please sent a mail to us. We will help you within two working days. Before sending mail, please check FAQ. You may have an answer
- XII. Sorry for being lengthy. These are common requirements for all sheets.
- XIII. Enter the value as per your audited Accounts. (Lacs/Rupees/Cr.)
- XIV. What more, you may feel a bit of pain. But then you are getting a state-of-the-art CMA Report, your banker is going to love.
- XV.
- XVI.

1 Loan Details 2 P&L Details 3 BS Details 4 FA Dep 5 verify P&L 6 Verify BS

INCOME

| | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
|---|---------------|--------------|----------------|-----------|
| I) Revenue from operations | | | | |
| Sale of products | 1831719605.63 | 2265551413.2 | 2486688027.392 | |
| II) Other operating revenues | | | | |
| Sale of scrap | | | | |
| Duty drawback and other export incentives | | 75765 | 104372 | |
| Less: GST/Excise Duty | | | | |
| Other Income | | | | |
| Interest Income: | 4112541 | 6424503 | 5019682 | |

Figure 1

I. **P&L Data Entry Screen**

Revenue from operations

Current year sales (financial year ending 31/03/2021) is projected @96% of the previous year sale. That is the growth is considered @ - 5% (minus five percent). This is due to the two month's washout due to corona. From the second-year sales is, sales is projected to increase @15%. You can always change these assumptions in the "**ASSUMPTIONS**" sheet.

Sales are projected based on absolute numbers. However, you have an option to calculate based on quantitative details of products and services. i.e: If you have a set of products an estimate number of units sold, you can always enter them in the assumption sheet, once you get the output in the excel format. It will be explained in the "**INSTRUCTIONS**" sheet.

Similarly, most of the overheads are reduced for the current year while it goes to normal levels from the next year.

| Product Wise Sales | Description | Sales Qty | Selling Price | Value | Cost Price | Value |
|-----------------------|---------------------|-----------|---------------|-------|------------|-------|
| Product or Service 1 | Edible Oil | | 1.00 | - | 0.60 | - |
| Product or Service 2 | Palmolen Oil | | 1.00 | - | 0.60 | - |
| Product or Service 3 | Crude Sunflower Oil | | 1.00 | - | 0.60 | - |
| Product or Service 4 | Mixed oil | | 1.00 | - | 0.60 | - |
| Product or Service 5 | Packing Materials | | 1.00 | - | 0.60 | - |
| Product or Service 6 | Blended Oil | | 1.00 | - | 0.60 | - |
| Product or Service 7 | Parafin Oil | | 1.00 | - | 0.60 | - |
| Product or Service 8 | Scrap and Wastage | | 1.00 | - | 0.60 | - |
| Product or Service 9 | Oil Traded | | 1.00 | - | 0.60 | - |
| Product or Service 10 | Vegitable Oil | | 1.00 | - | 0.60 | - |

Figure 2

Quantitative Sales

Sales can be projected based on the quantity also. You need not do anything down. Once you download the excel workbook (macro-driven), please visit the "ASSUMPTION" sheet to enter the product name/service name along with quantity and selling price. Sales will be estimated based on that for the current year and future years.



Cost of Goods sold/consumption is considered at the rate of 60%. You can always change them. [Note: This is just an option. Unless you are asked to project, there is no need to do it. Once you enter the Quantity and rate, sales projections based on trend is overwritten by the Quantitative sales. So be careful. This is for advanced Users.]

| II) Other operating revenues | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
|---|----------------------|----------------------|----------------------|----------------------|
| Sale of scrap | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Duty drawback and other export incentives | <input type="text"/> | 75765 | 104372 | <input type="text"/> |
| Less: GST/Excise Duty | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Figure 3

II. **OTHER OPERATING REVENUES:**

On the operating revenues such as sale of scrap, duty drawback (in case of service companies AMC) etc are allowed to vary based on sales percentage (%) increase. You can change it later. Please enter the details as indicated.

There are only two heads. If you have more than two, enter all the balance figures in Duty draw back and other Operations Income.

Current year is optional. You need not enter. We encourage you not to enter. We will calculate for you.

| Other Income | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
|---------------------------------|-----------|-----------|-----------|-----------|
| Interest Income: | 4112541 | 6424503 | 5019882 | |
| Gain on Exchange Fluctuations | | | | |
| Profit and sale of fixed assets | | | | |
| Dividend Income | | | | |
| Other Non Operating Income | 474092.92 | 280465.02 | 518.35 | |

Figure 4

III. **OTHER INCOME:**

Four major heads are given. Interest, Profit on sale of Assets, Exchange fluctuation gain and Dividend Income. In case you have other income, heads add all of them put them under “**OTHER NON OPERATING INCOME**”

| Cost of Materials Consumed | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
|----------------------------|------------|---------------|--------------|-----------|
| Inventory at the beginning | | | | |
| Raw Material | 134539242 | | | |
| Packing Material | 210000 | | | |
| Stores & Spares | 973000 | | | |
| Work in Progress | 11045651 | | | |
| Finished Goods | 0 | | | |
| Add: Purchases | | | | |
| Raw Material | 1707123149 | 1816551980.55 | 1890614792.5 | |
| Packing Material | 0 | 0 | 0 | 0 |
| Stores & Spares | 0 | 0 | 0 | 0 |
| Work in Progress | 0 | 0 | 0 | 0 |
| Finished Goods | 0 | 0 | 0 | 0 |

Figure 5

| | | | | |
|--------------------------------|-------------|-------------|-----------|---|
| Add/Less: Other Adjustments | | | | |
| Raw Material | 0 | 0 | 0 | 0 |
| Packing Material | 0 | 0 | 0 | 0 |
| Stores & Spares | 0 | 0 | 0 | 0 |
| Work in Progress | 0 | 0 | 0 | 0 |
| Finished Goods | 0 | 0 | 0 | 0 |
| Less: Inventory at the end | | | | |
| Raw Material | 308688371.3 | 243042856.5 | 101424671 | |
| Packing Material | 85000 | 74000 | 87000 | |
| Stores & Spares | 720000 | 675000 | 907000 | |
| Work in Progress | 11814510 | 1575981 | 6304570 | |
| Finished Goods | 0 | 0 | 0 | 0 |
| Opening Stock of Trading Goods | 0 | 0 | 0 | 0 |
| Purchase of stock in Trade | 0 | 0 | 0 | 0 |
| Closing Stock of Trading Goods | 0 | 0 | 0 | 0 |

Figure 6

IV. **COST OF MATERIAL CONSUMED:**

This section is only for Manufacturing Companies. Trading Companies and manufacturing companies can skip this screen if they do not manufacture finish goods.

Current Year data entry is optional. We actually encourage you to omit current year data. We will do the estimate and you can change them later.

- a) **Opening Stock:** Enter the value of opening stock of the raw materials, packing materials, stores and spares, work in progress and finished goods. From the second year onwards closing stocks of the previous year will be populated as the opening stock. This provides as a check data entry too.

- b) **Add Purchase:** - It is available in the schedules of Profit and Loss account. Enter for each year of the past three years. Individually enter all the heads of inventory for the past three years. Data for current accounting year is optional. You need not enter. We will calculate. Either you fill all data for current year (Base year) or leave them blank. We will estimate the projections and you can change it if you need to change.

- c) **Add/Less: Other Adjustments:** - In the most cases this is not needed. Some companies show adjustments made to the stocks (such as shortages/theft/ discrepancies in physical verification etc). This section is kept for only those companies that disclose adjustment to stock separately. **You can conveniently skip it if you don't need them.**

- d) **Inventory in the End:** - Inventory in the end of closing stock of Raw materials, packing materials, stores and spares, work in progress and finish goods need to be entered for all the past three years.

| | | | | |
|--------------------------------|---|---|---|---|
| Opening Stock of Trading Goods | 0 | 0 | 0 | 0 |
| Purchase of stock in Trade | 0 | 0 | 0 | 0 |
| Closing Stock of Trading Goods | 0 | 0 | 0 | 0 |

Figure 7

V. **TRADING GOODS:**

If you are a trader, you will be purchasing and selling goods. Opening stocks, purchases and closing stocks as given in the audited and provisional accounts. Cost of goods is calculated based on this section. You can skip this section if you don't need in traded goods.

| Direct Expenses | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
|-----------------------------------|-------------|-------------|-------------|-----------|
| Direct Materials | 13567720.73 | 17865451.25 | 17472007.26 | |
| Freight Carriage Inward | 3861517 | 4840410.4 | 3076199.3 | |
| Power & Fuel | 34674037 | 37472859 | 41833427 | |
| Gas/Coal, Water & Oil | | | | |
| Direct Labour / Wages | | | | |
| Royalty Based On Product | | | | |
| Weigh Bridge Charges | | | | |
| Factory Rent | | | | |
| Repairs and Maintenance - Factory | 5935786.32 | 8759454.31 | 7763999.32 | |
| Warehouse Rent | | | | |
| Other Direct Expenses | 164551513.7 | 211842031.6 | 288316761.2 | |

Figure 8

VI. **DIRECT EXPENSES:**

These are predominantly expenses pertaining to Manufacturing and/or Trading. Major head are given. Not all Companies will require all the heads. Fill them to the extent you have them. In case your account head of Direct/Manufacturing expenses is not found here, enter them "Other Manufacturing Expenses". You have to enter the data for three years. Most of these expenses are projected as a percentage of Sale.

| Employee Benefit Expenses | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
|---------------------------------|------------|------------|-----------|-----------|
| Salary/Wages | 4810917.75 | 5560352.95 | 7280874.9 | |
| Incentives/Bonus | | | | |
| Directors Remuneration | 3960000 | 8100000 | 8100000 | |
| Gratuity Expenses | | | | |
| Employer contribution PF | 423947 | 454650 | 532550 | |
| Staff Welfare Expenses | 1607088.7 | 720670.5 | 694487.14 | |
| Employer contribution ESI | 160658 | 181004 | 256602 | |
| Other Employee Benefit Expenses | | 1541701 | 2776013 | |

Figure 9

VII. **EMPLOYEE BENEFIT EXPENSES:**

Most of the feasible heads are covered. The list includes all the heads pertaining to Service, Manufacture and Trading. Depending on your nature of Business you may not have most of the heads. If you don't have your description, add that in "**OTHER EMPLOYEE BENEFIT EXPENSES**".

Due to COVID-19, We have projected Employee Benefit Expenses based on Sales/Turn over for 2020-21 is calculated at – 5% (Minus FIVE Percent) instead of usual percent increase. You can change both the numbers in "ASSUMPTIONS" Sheet.

| Finance Cost | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
|-----------------------|-------------|-------------|-------------|-----------|
| Interest on CC A/c | 580004 | 140743 | 392928 | |
| Interest on Bank Loan | 452688 | 1878771 | 522663 | |
| Interest on EMI Loans | 314409.13 | 460340.32 | 771651.14 | |
| Other Borrowing Cost | 10478814.83 | 13609343.95 | 13898147.66 | |

Figure 10

VIII. **FINANCE COST:**

Most of the feasible heads are covered. The list includes all the heads pertaining to Service, Manufacture and Trading. Depending on your nature of Business you may not have most of the heads. If you don't have your description, add that in **"OTHER BORROWING COST"**. Future years Interest is calculated separately in the excel work sheet as loan working based on your loan input to be collected.

| Other Expenses | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
|------------------------------------|------------|-------------|------------|-----------|
| Sales and Distribution | | | | |
| Audit Fees | 68700 | 69000 | 60000 | |
| Professional Expenses | 496862 | 1242020 | 1223500 | |
| Legal Fees | | | | |
| Printing and Stationery | 146624 | 144302 | 128484.03 | |
| Repairs and Maintenance | 6265420 | 3632442.9 | 3146841.84 | |
| Telephone & Communication Expenses | 289538 | 294422 | 292720.79 | |
| Freight Outward | | | | |
| Loading and Unloading Charges | | | | |
| Travelling & Conveyance Expenses | 6105005.12 | 10102967.12 | 10023422.5 | |
| Insurance Expenses | 820743 | 736500.9 | 1151009.24 | |
| Rates & Taxes | 775123 | 1822916 | 1370406.2 | |
| Rent | 5383412 | 6514289 | 7321354 | |
| ROC Charges | | | | |
| Bank Charges | | | | |
| Advertising Expense | 1000 | 27293 | | |
| Donations | 1069500 | 1052500 | 1222000 | |
| Security Expense | 701659 | 677841 | 559339 | |
| Courier & Postage Expenses | | | | |
| Other Indirect Expenses | | | | |
| Books and Periodicals | | | | |

Figure 11

IX. **OTHER EXPENSES:**

This is fairly exhaustive list. You may or may not have all the heads. Please enter the heads you have for the past three years. In case there are no heads here for these expenses, "Other Expenses" is given in the end.

Due to COVID-19, Operations may be curtailed. Generally, they are stated to increase year to year. Only in case of Financial year 2020-21, we have reduced them depending on the nature of expenses. These projected percentages are given in the "ASSUMPTION SHEET" in the excel sheet output. You can change them, once you download the output excel sheet (Macro-driven).

| Depreciation & Amortisation | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
|-----------------------------|-------------|------------|-------------|-----------|
| Depreciation | 10058679.03 | 11636366.1 | 13888672.43 | |
| Amortisation | | | | |

Figure 12

X. **DEPRECIATION & AMORTISATION:**

Please enter the past year data as it appears in the Audited/Provisional Accounts. This is collected in a separate sheet

| Tax Expenses | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
|-----------------------|-----------|-----------|-----------|-----------|
| Current Tax | 4279179 | 7492806 | 7738527 | |
| Deferred Tax | 2597371 | 132088 | -52262 | |
| Minimum Alternate Tax | | | | |
| Prior Period Items | | | | |

Figure 13

XI. **TAX EXPENSES**

S All the feasible heads are covered. Please enter based on the Annual Accounts and Provisionals.

| Appropriations |
|----------------|
| Add Items: |
| Less Items: |

Figure 14

XII. **APPROPRIATIONS:**

These are called “Below the Line Items” in accounting parlance. There are account heads such as “Dividend”, Drawings by Partners/Promoters, Interest to and from the Partners/Promoters, Profit brought forward etc. Not all heads are needed by you, use the one that one required. For example, If you are a Private Limited Company, Partner/ Proprietor details will not be there. If you are Partnership/ Proprietor, Dividend, Transfer to General reserve etc will not be there.

“THIS BRINGS IS TO THE END OF PROFIT & LOSS MODULE.”

VERIFY YOUR DATA ENTRY

Thank you.

You have entered the data. Once you press the button “Generate” you will have your **CMA Data** in less than a minute.

But wait! We have to ensure you data entry is correct. Pressing “Generate” Button is point of no return. Make sure your data entry is correct.

Note: **Once you press “Generate” button all your Audited Balance Sheet figures are locked for ever. You cannot change them. We repeat. You cannot change audited numbers. From this point you can change only your Assumptions, Projections, and Provisional Data. So be very careful before pressing “Generate” button.**



Methodology to verify

B. PROFIT & LOSS ACCOUNT VERIFICATION:

1. Profit after Tax as per your data entry is displayed at the top. Verify with your audited and provisional accounts. If they tally you are good to go. You can go to verify the Balance sheet.
2. If they are difference, verify each summary given with your accounts. Summary heads are as follows.

- Revenue from Operations
- Other Income
- Cost of Material consumed.
- Purchase of stock in Trade
- Change in Inventories
- Employee Benefit Expenses.
- Finance cost.
- Depreciation & Amortisation
- Other Expenses
- Direct Cost.
- Tax related Expenses.
- Profit After Tax

3. If there are differences, go back to relevant data entry screens and change numbers.



Don't press "Generate" unless you are sure. Generate Locks data and it is not possible to re-enter audited data

4. Do this process again till the profit after tax figure in the same in both cases.
Once "Profit after tax" & "cash on Hand" tallies you are good to go
5. Two important parameters to reach before you press "Generate Button" is make sure "Profit after tax" and "Cash on Hand" displayed in control screens and audited accounts are same. If they are same, you are good to go.

*Good
Luck!*

You can simply navigate between the screens and make the necessary change. Once all the changes are done your Profit & Loss Account will tally.



TIP: It need not tally to the paise. If there are small differences, say Rs.50/- you may ignore. CMA is the prepared based on "lakhs" and some approximation is acceptable. If the overall difference is less then Rs.1000/- you can ignore