

Pay Back Calculation of BUS			
JINDAL ALUMINIUM LTD			
Bhiwadi Plant			
Sr. No.	Particular	Per KM Cost	Per Month Cost
Option 1	Hiring of Bus		
A.	Hiring Charges	43	43,000
Option 2	Puchasing of Bus		
	Capital Investment	Per KM Cost	Per Month Cost
	Cost and registration charges of Bus		2,688,690
B.	Total Cost of Bus		2,688,690
	Operating Cost		
	Passenger Tax	10.5	10,500
	Fuel Cost	8.5	8,490
	Driver Salary & Expenses	18.0	18,000
	Maintenance Cost	0.7	708
	Tyre Cost	2.0	1,950
C.	Operating Cost/month	39.6	39,648
D.	Interest @ 8.5%	10.4	10,352
E.	Depreciation @ 8 Yrs	26.6	26,607
F.	Total cost/month (C+D+E)	76.6	76,607
G.	Loss / month (A-F)	(33.6)	(33,607)
H.	Tax Saving on Loss @ 25.17%	(8.5)	(8,459)
I	Net Loss after tax Saving (G-H)	(25.1)	(25,148)
J	Cash-flow for Computing Payback period (E+I)	1.5	1,459
K	Pay back Period (Nos. of KM & Months) (B/K)	1843035	1,843
Note	1. Pay back period will be		153 year 7 month
	2. Interest on investment considered @ 8.5 % pa in reducing balance method for 5 years and repayment schedule consider monthly basis.		
	3. Tyre running life 40,000/- km & Tyre cost is Rs. 13,000/- per tyre (6 Tyre required)		
	4. Monthly running of Bus is 1000 Km		

Prepared By
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