PT Sugih Alamanugroho is a limestone mining company located in Bedoyo Village, District Ponjong, Regency Gunung Kidul, Yogyakarta Special Province. Total reserves owned by PT. Sugih Alamanugroho in quarry G. Prokerso is 956,639 tonnes. With a production target of 30,000 tonnes/year mine life, it can be calculated is reaching 30 years. Under consideration limestone product prices and increased costs of production, then the calculation of the cash flow is limited to 5 years. For the calculation of the cash flow in the year - next year adjusted by production costs and revenues.

The purpose of the cash flow calculation is to determine the total investment in year 0, the cost of operations during mining operations, and to consider appropriate or not mining activity carried out in accordance with the value of NPV, DCFROR, and PBP by comparing the two kinds of capital structure.

a. Capital structure of 100% equity
Net Present Value (NPV) with minimum interest rate (i *) 15% are 14,571,397,544, Discounted Cash Flow Rate Of Return (DCFROR) 101%, and Pay Back Period (PBP) 1.26 years.

b. Capital structure of 60% equity and 40% debt
Net Present Value (NPV) with minimum interest rate (i *) 14% are 15,300,174,961, Discounted Cash Flow Rate Of Return (DCFROR) 142%, and Pay Back Period (PBP) 1.06 years.

By looking at the magnitude of NPV, DCFROR, and PBP each capital structure, capital structure of 60% equity 40% more loans eligible for consideration.