



S.J.M Vidyapeetha , Chitradurga

S.J.M College of Arts, Science and Commerce,
Chandravalli, Chitradurga. 577-501

Accredited by NAAC with "A"

Project Report of New Business

HEMADRI COMPUTER

SUBMITTED BY- 3rd B.Com

1. Sushmitha N
2. Umadevi M
3. Umiya C
4. Vinutha R
5. Syeda Sameera Banu
6. Ushakiran

SUBMITTED TO
Dr. R.V Hegadal
Associate Professor
Dept. of Commerce

2022-23

HIGHLIGHTS OF THE PROJECT

Unit Name	HEMADRI COMPUTER CENTER
Proprietor's Name & Address	Sri Naveen kumar M S/o Maheshwarappa Holalkere Taluk, Madduru, Chitradurga - 577527
Own Capital	Rs. 50.00 Thousand
Cost of Project	Rs. 10.00 Lakhs
Bank Finance	Rs. 10.00 Lakh

Interest Calculation on Term Loan of Rs. 10.00 Lakhs
Rate of Interest @ 9%

First Year Interest and Repayment Calculation

Months/Year	E M I Repayment	Principal	Interest	Balance Loan
1	20,758	13,258	7,500	986,742
2	20,758	13,358	7,401	973,384
3	20,758	13,458	7,300	959,926
4	20,758	13,559	7,199	946,367
5	20,758	13,661	7,098	932,706
6	20,758	13,763	6,995	918,943
7	20,758	13,866	6,892	905,077
8	20,758	13,970	6,788	891,107
9	20,758	14,075	6,683	877,032
10	20,758	14,181	6,578	862,851
11	20,758	14,287	6,471	848,564
12	20,758	14,394	6,364	834,170
At the end of First Year	249,096.00	165,830.00	83,269.00	

**Second Year Interest and Repayment
Calculation**

Months/Year	E M I Repayment	Principal	Interest	Balance Loan
1	20,758	14,502	6,256	819,668
2	20,758	14,611	6,148	805,057
3	20,758	14,720	6,038	790,337
4	20,758	14,831	5,928	775,506
5	20,758	14,942	5,816	760,564
6	20,758	15,054	5,704	745,510
7	20,758	15,167	5,591	730,343
8	20,758	15,281	5,478	715,062
9	20,758	15,395	5,363	699,666
10	20,758	15,511	5,247	684,156
11	20,758	15,627	5,131	668,528
12	20,758	15,744	5,014	652,784
At the end of First Year	249,096.00	181,385.00	67,714.00	

**Third Year Interest and Repayment
Calculation**

Months/Year	E M I Repayment	Principal	Interest	Balance Loan
1	20,758	15,862	4,896	636,921
2	20,758	15,981	4,777	620,940
3	20,758	16,101	4,657	604,839
4	20,758	16,222	4,536	588,617
5	20,758	16,344	4,415	572,273
6	20,758	16,466	4,292	555,807
7	20,758	16,590	4,169	539,217
8	20,758	16,714	4,044	522,503
9	20,758	16,840	3,919	505,665
10	20,758	16,966	3,792	488,697
11	20,758	17,093	3,665	471,604
12	20,758	17,221	3,537	454,383
At the end of First Year	249,096.00	198,400.00	50,699.00	

Fourth Year Interest and Repayment Calculation

Months/Year	E M I Repayment	Principal	Interest	Balance Loan
1	20,758	17,350	3,408	437,032
2	20,758	17,481	3,278	419,552
3	20,758	17,612	3,147	401,940
4	20,758	17,744	3,015	384,196
5	20,758	17,877	2,881	366,319
6	20,758	18,011	2,747	348,308
7	20,758	18,146	2,612	330,162
8	20,758	18,282	2,476	311,880
9	20,758	18,419	2,339	293,461
10	20,758	18,557	2,201	274,903
11	20,758	18,697	2,062	256,207
12	20,758	18,837	1,922	237,370
At the end of First Year	249,096.00	217,013.00	32,088.00	

Fifth Year Interest and Repayment Calculation

Months/Year	E M I Repayment	Principal	Interest	Balance Loan
1	20,758	18,978	1,780	218,392
2	20,758	19,120	1,638	199,271
3	20,758	19,264	1,495	180,008
4	20,758	19,408	1,350	160,599
5	20,758	19,554	1,204	141,046
6	20,758	19,701	1,058	121,345
7	20,758	19,848	910	101,497
8	20,758	19,997	761	81,500
9	20,758	20,147	611	61,252
10	20,758	20,298	460	41,054
11	20,758	20,450	308	20,604
12	20,758	20,604	155	0
At the end of First Year	249,096.00	237,369.00	11,730.00	

1. BANK LOAN SCHEDULE :- (Rs. In Lakhs)

End of the Year	Loan Amount	Loan Principal Amount	Loan balance	Interest @ 9%
1	10	1.65	8.34	0.83
2		1.81	6.52	0.65
3		1.98	4.54	0.55
4		2.17	2.37	0.32
5		2.37	0	0.11

2. DEPRECIATION SCHEDULE :- (Rs. In Lakhs)

Year	Cost	Depreciation 20%	WDV
1	5	0.75	4.25
2		0.64	3.61
3		0.54	3.07
4		0.46	2.61
5		0.39	2.22

3. PROFITABILITY STATEMENT :- (Rs. In Lakhs)

Years	1	2	3	4	5
Income					
Inv. Collection	9.8	10.5	11	11.6	12.3
Total Income	9.8	10.5	11	11.6	12.3
Expenditure					
Salary	1	1.2	1.4	1.6	1.8
Rent /Electricity & Maintenance	1.05	1.08	1.12	1.15	1.18
Consumables	0.3	0.35	0.4	0.45	0.5
Interest	0.83	0.67	0.5	0.32	0.11
Depreciation	0.75	0.64	0.54	0.46	0.39
Total Exp.	3.93	3.94	3.96	3.98	3.98
Profit Before Tax	5.87	6.56	7.04	7.62	8.32
Tax Provision	-	-	-	-	-
Profit After Tax	5.87	6.56	7.04	7.62	8.32

4. CASH FLOW STATEMENT :- (Rs. In Lakhs)

a. Sources of Funds

Years	1	2	3	4	5
Profit After Tax	5.87	6.56	7.04	7.62	8.32
Depreciation	0.75	0.64	0.54	0.46	0.39
Total	6.62	7.2	7.58	8.08	8.71

b. Appliation of Funds

Years	1	2	3	4	5
Loan Requirement	1.65	1.81	1.98	2.17	2.37
Total	1.65	1.81	1.98	2.17	2.37

DEBT SERVICE COVERAGE RATIO (DSCR) : (Rs. in Lakhs)

a. Cash Accruals

Years	1	2	3	4	5
Profit After Tax	5.87	6.56	7.04	7.62	8.32
Interest	0.83	0.67	0.5	0.32	0.11
Depreciation	0.75	0.64	0.54	0.46	0.39
Total	7.45	7.87	8.08	8.4	8.82

b. Cash Out goings :-

Years	1	2	3	4	5
Loan Repayment	1.65	1.81	1.98	2.17	2.37
Interest	0.83	0.67	0.5	0.32	0.11
Total	2.48	2.48	2.48	2.49	2.48
DSCR (A, B)	3.00	3.17	3.26	3.37	3.56

Avg. Cumulative DSCR = 3.27

CONCLUSION :- Since the Project Financial feasibility is good with sufficient debt service coverage ratio and fair return on Investment. The Project shall be considered as viable Project.

(NAVEEN KUMAR M)