

# PROJECT REPORT

**IT & IT Enabled unit**

*Pristine Tower, Serene Nagar, New Delhi - 1*

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# Project at a glance

## Name & Address of Unit

IT & IT Enabled unit

Pristine Tower, Serene Nagar, New Delhi - 1

## Details of unit

Email	:	youremail@email.com
Phone	:	909090
Constitution	:	Private LTD
Number of employment	:	15
Total project cost	:	5,192,000
Fixed Capital	:	4,192,000
Working Capital	:	1,000,000
Total Bank loan	:	2,386,400
Promoter(s) contribution	:	2,805,600
<b>Term loan</b>	:	<b>1,886,400</b>
<b>Working capital loan</b>	:	<b>500,000</b>

## Name & address of promoter(s)

Name	:	Your nameion
Address	:	Your address
Phone	:	9090
Date of birth	:	12/01/1989
Gender	:	Male
Category	:	General
E-mail	:	youremail@email.com

# Project Feasibility Ratio

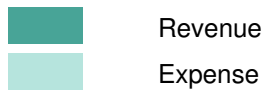
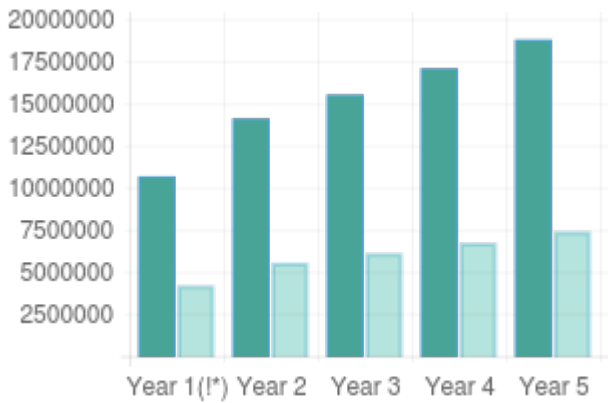
Debt Service Coverage Ratio (Average) :2.42

Current ratio (Average) :2.84

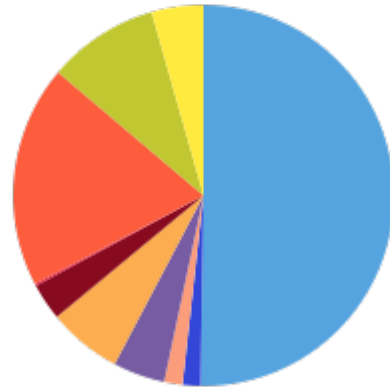
	Year 1	Year 2	Year 3	Year 4	Year 5
Current ratio	2.05	2.64	2.80	3.20	3.52
Quick ratio	2.05	2.64	2.80	3.20	3.52
Intrest coverage ratio	5.87	4.57	6.85	10.38	13.70
Debt equity ratio	0.566	0.530	0.387	0.253	0.133
TOL/TNW	0.73	0.56	0.44	0.28	0.20
DSCR	2.81	2.01	2.33	2.65	2.27
Gross profit Sales Percentage %	50.00 %	42.50 %	43.50 %	44.00 %	42.00 %
Net profit Sales Percentage %	8.33 %	3.70 %	5.07 %	6.10 %	5.01 %
BEP in % of installed capacity %	83.92 %	64.84 %	64.84 %	64.84 %	64.84 %
BEP in sales of Rs	9,000,000.00	9,180,000.00	10,098,000.00	11,107,800.00	12,218,580.00
Return On Capital Employed	781,883.07	1,623,743.94	2,711,354.28	4,086,295.58	5,124,810.45

# Project Feasibility graph

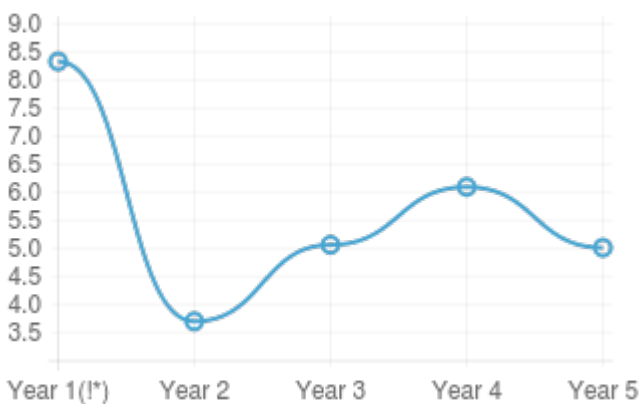
Revenue v/s Expense



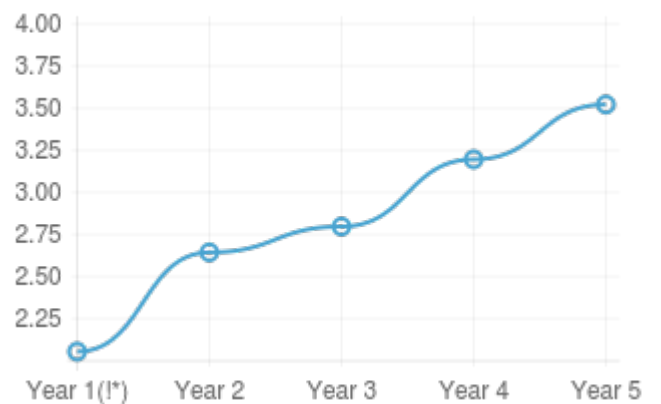
Expense Splitup



Net profit Sales %



Quick ratio



# Introduction

The global sourcing market in India continues to grow at a higher pace compared to the IT-BPM industry. The global IT & ITeS market (excluding hardware) reached US\$ 1.2 trillion in 2016-17, while the global sourcing market increased by 1.7 times to reach US\$ 173-178 billion. India remained the world's top sourcing destination in 2016-17 with a share of 55 per cent. Indian IT & ITeS companies have set up over 1,000 global delivery centres in over 200 cities around the world.

More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centres in India.

The IT industry has also created significant demand in the Indian education sector, especially for engineering and computer science. The Indian IT and ITeS industry is divided into four major segments – IT services, Business Process Management (BPM), software products and engineering services, and hardware.

The internet industry in India is likely to double to reach US\$ 250 billion by 2020, growing to 7.5 per cent of gross domestic product (GDP). The number of internet users in India is expected to reach 730 million by 2020, supported by fast adoption of digital technology, according to a report by National Association of Software and Services Companies (NASSCOM).

Indian IT exports are projected to grow at 7-8 per cent in 2017-18, in addition to adding 130,000-150,000 new jobs during the same period.

Digital commerce market in India is set to grow at 30.4 per cent year-on-year to Rs 220,330 crore (US\$ 34.11 billion) by December 2018, according to a report by Internet and Mobile Association of India and IMRB Kantar.

Indian technology companies expect India's digital economy to have the potential to reach US\$ 4 trillion by 2022, as against the Government of India's estimate of US\$ 1 trillion.

# Scope of the project

The internet industry in India is likely to double to reach US\$ 250 billion by 2020, growing to 7.5 per cent of gross domestic product (GDP). The number of internet users in India is expected to reach 730 million by 2020, supported by fast adoption of digital technology, according to a report by National Association of Software and Services Companies (NASSCOM).

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The proposed software unit is to create Mobile application and web based software creation. As we know the market is changing rapidly against the new technology and invent of mobile phones, the scope of new softwares and applications are necessary.

# Promoter(s) details

The promoter of the proposed venture is Mr: your name , Pristine Villa , New Delhi. He is having an online experience of 10 years with various Institutions . The Project is promoted as a proprietorship firm under the name of M/s.Sample Project Report

## Brief Bio-Data

Name :your name

Address :Prestine Ville, New Delhi

Phone :123456889

e-mail ID (if any) :youremail@email.com

Aadhar No :2345689123

PAN :BBBBXX22

Sex (tick) : Male/

Age & DOB : 40, 12-01-1989

Qualification : BTech

Experience details : Project Manager in reputed Firm in Dubai, US



# Product / services & process

- Infrastructure Assessments and Deployments
- Server and End User Virtualization
- Strategic Information Technology Planning – organizational and infrastructure
- Server and Storage planning, installation and migration
- Cloud readiness planning
- Network design, implementation, staging and rollout – wired and wireless
- Enterprise Security services, including end-to-end Security Posture, Penetration Testing
- Asset Management, prior to or during a hardware refresh cycle
- 24x7 HUBCare and Helpdesk Support with the ability to place a service call around the clock

# Plant & machinery / equipments

Computers - 20 numbers

Printers - 2 nos

MS office suite - 20 nos

Laptop - 5 nos

Office Chairs - 35 nos

Diesel genset - 1 nos

UPS- 1 nos

Office almara- 5 nos

Files - 100 nos

# Market potential & Strategy

The internet industry in India is likely to double to reach US\$ 250 billion by 2020, growing to 7.5 per cent of gross domestic product (GDP). The number of internet users in India is expected to reach 730 million by 2020, supported by fast adoption of digital technology, according to a report by National Association of Software and Services Companies (NASSCOM).

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Digital commerce market in India is set to grow at 30.4 per cent year-on-year to Rs 220,330 crore (US\$ 34.11 billion) by December 2017, according to a report by Internet and Mobile Association of India and IMRB Kantar.

Indian technology companies expect India's digital economy to have the potential to reach US\$ 4 trillion by 2022, as against the Government of India's estimate of US\$ 1 trillion.

The global sourcing market in India continues to grow at a higher pace compared to the IT-BPM industry. The global IT & ITeS market (excluding hardware) reached US\$ 1.2 trillion in 2016-17, while the global sourcing market increased by 1.7 times to reach US\$ 173-178 billion. India remained the world's top sourcing destination in 2016-17 with a share of 55 per cent. Indian IT & ITeS companies have set up over 1,000 global delivery centres in over 200 cities around the world.

Total spending on IT by banking and security firms in India is expected to grow 8.6 per cent year-on-year to US\$ 7.8 billion by 2017!!

The public cloud services market in India is slated to grow 35.9 per cent to reach US\$ 1.3 billion according to IT consultancy, Gartner. Increased penetration of internet (including in rural areas) and rapid emergence of e-commerce are the main drivers for continued growth of data centre co-location and hosting market in India. The Indian Healthcare Information Technology (IT) market is valued at US\$ 1 billion currently and is expected to grow 1.5 times by 2020^^. India's business to business (B2B) e-commerce market is expected to reach US\$ 700 billion by 2020 whereas the business to consumer (B2C) e-commerce market is expected to reach US\$ 102 billion by 2020.

Cross-border online shopping by Indians is expected to increase 85 per cent in 2017, and total online spending is projected to rise 31 per cent to Rs 8.75 lakh crore (US\$ 128 billion) by 2018.!!!

# Manpower requirements

Engineers- 18 nos

Designers - 2 nos

Accountnt /HR- 1 nos

Receptionist/Admin - 1 nos

Marketing - 3nos

Housekeeping - 1 nos

# Risks & Mitigation strategy

## **Schedule Risk:**

Project schedule get slip when project tasks and schedule release risks are not addressed properly. Schedule risks mainly affect on a project and finally on company economy and may lead to project failure.

Schedules often slip due to following reasons:

- Wrong time estimation
- Resources are not tracked properly. All resources like staff, systems, skills of individuals etc.
- Failure to identify complex functionalities and time required to develop those functionalities.
- Unexpected project scope expansions.

## **Budget Risk:**

- Wrong budget estimation.
- Cost overruns
- Project scope expansion

## **Operational Risks:**

Risks of loss due to improper process implementation failed system or some external events risks.

Causes of Operational risks:

- Failure to address priority conflicts
- Failure to resolve the responsibilities
- Insufficient resources
- No proper subject training
- No resource planning
- No communication in the team.

## **Technical risks:**

Technical risks generally lead to failure of functionality and performance.

Causes of technical risks are:

- Continuous changing requirements
- No advanced technology available or the existing technology is in initial stages.
- The product is complex to implement.
- Difficult project modules integration.

**Programmatic Risks:**

These are the external risks beyond the operational limits. These are all uncertain risks are outside the control of the program.

These external events can be:

- Running out of the fund.
- Market development
- Changing customer product strategy and priority
- Government rule changes.

**Mitigation Strategy**

Proper planning and continues monitoring is a key to eliminate risk. There are ways for inputing the sotware risk asesment using many structured tools.

# Project Cost

Sl. no	Item	Amount Rs
1	Building	1,500,000
2	Software	250,000
3	Printer	36,000
4	Special computer	180,000
5	Laptop	336,000
6	Computer	1,125,000
7	Aircondition	85,000
8	Almaras	45,000
9	Racks and furnitures	125,000
10	Office Chairs	75,000
11	Electrification and Networking	100,000
12	Preliminary expenses	85,000
13	interior work	250,000
14	Working Capital	1,000,000
	Subsidy	0
	<b>Total</b>	<b>5,192,000</b>

# Working Capital Computation

Sl. no	Item	Amount Rs
1	Consumables / stock in hand	0
2	Work in progress	0
3	Finished goods	0
4	Working expense.	1,500,000
5	Recievables/Sundry debtors	
6	Working expense	500,000
<b>8</b>	<b>Total working capital</b>	<b>1,000,000</b>
9	Own Contribution	500,000
<b>11</b>	<b>Working capital loan</b>	<b>500,000</b>

Consumables are electricity cost and we took salary for engineers as working expense. The project cycle is around 30 days .



# Annual Sales / Revenue

Sl. no	Item	Rate		Quantity	Unit	Total Rs
1	Revenue from online	14,400	X	500	Hour	7,200,000
2	Sales from service	16,200	X	350	Hour	5,670,000
	<b>Total</b>					<b>12,870,000</b>

# Total Monthly Expense

Sl. no	Item	Amount Rs
1	Engineers & SEO specialist	400,000
2	Other supporting staff	35,000
3	Marketing executives	50,000
4	Repairs & Maintenance	12,000
5	Electricity	12,500
6	Office expense & utilities	25,000
	<b>Total</b>	<b>796,000</b>

# Application of Fund

Sl. no	Item	Subsidy %	No.	Rate	Amount Rs
1	Building	0	1	1,500,000	1,500,000
2	Software	0	1	250,000	250,000
3	Printer	0	2	18,000	36,000
4	Special computer	0	2	90,000	180,000
5	Laptop	0	7	48,000	336,000
6	Computer	0	25	45,000	1,125,000
7	Aircondition	0	1	85,000	85,000
8	Almaras	0	1	45,000	45,000
9	Racks and furnitures	0	1	125,000	125,000
10	Office Chairs	0	1	75,000	75,000
11	Electrification and Networking	0	1	100,000	100,000
12	Preliminary expenses	0	1	85,000	85,000
13	interior work	0	1	250,000	250,000
	<b>Total Investment</b>				<b>4,192,000</b>
	Total Subsidy				0
	<b>Net Investment</b>				<b>4,192,000</b>

# Means of Finance

Sl. no	Item	Amount
1	Term Loan	1,886,400
2	Working capital Loan	500,000
3	Total loan	2,386,400
4	Term Loan contribution	2,305,600
5	Working capital contribution	500,000

Building advance and advance for furnishing and computers are paid from own contribution. Own contribution raised from Friends and families .

# Profitability Statement

All figures are in lakhs

	Year 1(!*)	Year 2	Year 3	Year 4	Year 5
<b>Revenue from operation</b>					
Revenue from online	60.00	79.20	87.12	95.83	105.42
Sales from service	47.25	62.37	68.61	75.47	83.01
<b>Add :</b>					
Closing stock	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	107.25	141.57	155.73	171.30	188.43
<b>Less :</b>					
Opening stock	0.00	0.00	0.00	0.00	0.00
Engineers & SEO specialist	40.00	52.80	58.08	63.89	70.28
Repairs & Maintanance	1.20	1.58	1.74	1.92	2.11
Electricity	1.25	1.65	1.82	2.00	2.20
<b>Total</b>	42.45	56.03	61.64	67.80	74.58
<b>Gross profit</b>	<b>53.63</b>	<b>60.17</b>	<b>67.74</b>	<b>75.37</b>	<b>79.14</b>
<b>Less :</b>					
Other supporting staff	3.50	4.62	5.08	5.59	6.15
Marketing executives	5.00	6.60	7.26	7.99	8.78
Office expense & utilities	2.50	3.30	3.63	3.99	4.39
Internet	0.15	0.20	0.22	0.24	0.26
Marketing/Advertisement	15.00	19.80	21.78	23.96	26.35
Domain & Hosting annual charge	7.50	9.90	10.89	11.98	13.18
Postage & Telephone	3.50	4.62	5.08	5.59	6.15
<b>Total</b>	37.15	49.04	53.94	59.34	65.27
Depreciation	3.12	3.15	2.55	2.06	1.67
Interest on TL	2.11	1.73	1.32	0.84	0.31

	Year 1(!*)	Year 2	Year 3	Year 4	Year 5
<b>Revenue from operation</b>					
Interest on WC	0.70	0.70	0.70	0.70	0.70
Total	43.08	54.62	58.50	62.94	67.95
<b>Profit before tax</b>	<b>10.55</b>	<b>5.55</b>	<b>9.24</b>	<b>12.43</b>	<b>11.19</b>
Income Tax	1.61	0.30	1.35	1.99	1.74
<b>Profit after tax</b>	<b>8.94</b>	<b>5.24</b>	<b>7.89</b>	<b>10.44</b>	<b>9.45</b>

### Annual growth method

!\* = Considered only 10 months on first year as 2 month(s) needed for setting up the firm

# Cash flow statement

All figures are in lakhs

Cash Inflow	Pre operative period	Year 1	Year 2	Year 3	Year 4	Year 5
Capital	23.06	5.00	0.00	0.00	0.00	0.00
Subsidy	0.00	0.00	0.00	0.00	0.00	0.00
Termloan	18.86	0.00	0.00	0.00	0.00	0.00
Profit before tax with interest	0.00	13.35	7.98	11.25	13.97	12.20
Increase in WC loan	0.00	5.00	0.00	0.00	0.00	0.00
Depreciation	0.00	3.12	3.15	2.55	2.06	1.67
Increase in Current liability	0.00	4.17	1.33	0.55	0.61	0.67
<b>Total Cash Inflow</b>	<b>41.92</b>	<b>30.64</b>	<b>12.46</b>	<b>14.35</b>	<b>16.64</b>	<b>14.54</b>
Cash Outflow						
Fixed Assets	41.92	0.00	0.00	0.00	0.00	0.00
Increase in Current asset		0.00	0.00	0.00	0.00	0.00
Interest on TL	0.00	2.11	1.73	1.32	0.84	0.31
Interest on WC	0.00	0.70	0.70	0.70	0.70	0.70
Income Tax	0.00	1.61	0.30	1.35	1.99	1.74
Decrease in Term loan		2.93	3.30	3.72	4.19	4.72
Divident on equity	0.00	1.15	0.00	1.15	0.00	1.15
<b>Total Cash Outflow</b>	<b>41.92</b>	<b>8.50</b>	<b>6.04</b>	<b>8.24</b>	<b>7.72</b>	<b>8.63</b>
Opening balance	0.00	0.00	22.14	28.57	34.68	43.60
<b>Net Cashflow</b>	<b>0.00</b>	<b>22.14</b>	<b>6.42</b>	<b>6.11</b>	<b>8.92</b>	<b>5.91</b>
Closing balance	0.00	22.14	28.57	34.68	43.60	49.51

# Balance sheet

All figures are in lakhs

Liability	Pre operative period	Year 1	Year 2	Year 3	Year 4	Year 5
<b>A. Share holders funds</b>						
Capital	23.06	28.06	28.06	28.06	28.06	28.06
Reserve & Surplus	0.00	7.79	13.03	19.76	30.21	38.50
<b>B.Non current Liabilities</b>						
Termloan	18.86	15.93	12.63	8.91	4.72	-0.00
<b>C.Current Liabilities</b>						
Working capital loan	0.00	5.00	5.00	5.00	5.00	5.00
Account payable		4.17	5.50	6.05	6.66	7.32
<b>Total Liability</b>	<b>41.92</b>	<b>60.94</b>	<b>64.22</b>	<b>67.78</b>	<b>74.64</b>	<b>78.88</b>
Asset						
<b>A. Non current Assets</b>						
Fixed Assets	41.92	38.80	35.65	33.10	31.04	29.37
<b>B. Current Assets</b>						
Inventory	0.00	0.00	0.00	0.00	0.00	0.00
Trade recievables	0.00	0.00	0.00	0.00	0.00	0.00
Cash and cash equivalence	0.00	22.14	28.57	34.68	43.60	49.51
<b>Total Asset</b>	<b>41.92</b>	<b>60.94</b>	<b>64.22</b>	<b>67.78</b>	<b>74.64</b>	<b>78.88</b>



# Repayment of Term loan

All figures are in lakhs

Year	Installment	Outstanding at the beginning	Pricipal repayment	Interest	Amount paid	Outstanding at the end
1	1	18.86	0.23	0.19	0.42	18.63
1	2	18.63	0.23	0.19	0.42	18.40
1	3	18.40	0.24	0.18	0.42	18.16
1	4	18.16	0.24	0.18	0.42	17.93
1	5	17.93	0.24	0.18	0.42	17.69
1	6	17.69	0.24	0.18	0.42	17.44
1	7	17.44	0.25	0.17	0.42	17.20
1	8	17.20	0.25	0.17	0.42	16.95
1	9	16.95	0.25	0.17	0.42	16.70
1	10	16.70	0.25	0.17	0.42	16.45
1	11	16.45	0.26	0.16	0.42	16.19
1	12	16.19	0.26	0.16	0.42	15.93
2	13	15.93	0.26	0.16	0.42	15.67
2	14	15.67	0.26	0.16	0.42	15.41
2	15	15.41	0.27	0.15	0.42	15.15
2	16	15.15	0.27	0.15	0.42	14.88
2	17	14.88	0.27	0.15	0.42	14.61
2	18	14.61	0.27	0.15	0.42	14.33
2	19	14.33	0.28	0.14	0.42	14.06
2	20	14.06	0.28	0.14	0.42	13.78
2	21	13.78	0.28	0.14	0.42	13.50
2	22	13.50	0.28	0.13	0.42	13.21
2	23	13.21	0.29	0.13	0.42	12.92
2	24	12.92	0.29	0.13	0.42	12.63
3	25	12.63	0.29	0.13	0.42	12.34

Year	Installment	Outstanding at the beginning	Pricipal repayment	Interest	Amount paid	Outstanding at the end
3	26	12.34	0.30	0.12	0.42	12.04
3	27	12.04	0.30	0.12	0.42	11.75
3	28	11.75	0.30	0.12	0.42	11.44
3	29	11.44	0.31	0.11	0.42	11.14
3	30	11.14	0.31	0.11	0.42	10.83
3	31	10.83	0.31	0.11	0.42	10.52
3	32	10.52	0.31	0.11	0.42	10.20
3	33	10.20	0.32	0.10	0.42	9.89
3	34	9.89	0.32	0.10	0.42	9.57
3	35	9.57	0.32	0.10	0.42	9.24
3	36	9.24	0.33	0.09	0.42	8.91
4	37	8.91	0.33	0.09	0.42	8.58
4	38	8.58	0.33	0.09	0.42	8.25
4	39	8.25	0.34	0.08	0.42	7.91
4	40	7.91	0.34	0.08	0.42	7.57
4	41	7.57	0.34	0.08	0.42	7.23
4	42	7.23	0.35	0.07	0.42	6.88
4	43	6.88	0.35	0.07	0.42	6.53
4	44	6.53	0.35	0.07	0.42	6.18
4	45	6.18	0.36	0.06	0.42	5.82
4	46	5.82	0.36	0.06	0.42	5.46
4	47	5.46	0.37	0.05	0.42	5.09
4	48	5.09	0.37	0.05	0.42	4.72
5	49	4.72	0.37	0.05	0.42	4.35
5	50	4.35	0.38	0.04	0.42	3.97
5	51	3.97	0.38	0.04	0.42	3.59
5	52	3.59	0.38	0.04	0.42	3.21
5	53	3.21	0.39	0.03	0.42	2.82
5	54	2.82	0.39	0.03	0.42	2.43
5	55	2.43	0.40	0.02	0.42	2.04
5	56	2.04	0.40	0.02	0.42	1.64

Year	Installment	Outstanding at the beginning	Pricipal repayment	Interest	Amount paid	Outstanding at the end
5	57	1.64	0.40	0.02	0.42	1.23
5	58	1.23	0.41	0.01	0.42	0.83
5	59	0.83	0.41	0.01	0.42	0.42
5	60	0.42	0.42	0.00	0.42	-0.00

# Debt Service Coverage Ratio

All figures are in lakhs

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Receipts</b>					
a).Net Profit	8.94	5.24	7.89	10.44	9.45
b).Depreciation	3.12	3.15	2.55	2.06	1.67
c).Interest on termloan	2.11	1.73	1.32	0.84	0.31
Total	14.17	10.12	11.75	13.35	11.43
<b>Repayments</b>					
a).Loan Principal	2.93	3.30	3.72	4.19	4.72
b).Interest on termloan	2.11	1.73	1.32	0.84	0.31
Total	5.04	5.04	5.04	5.04	5.04
<b>DSCR</b>	<b>2.81</b>	<b>2.01</b>	<b>2.33</b>	<b>2.65</b>	<b>2.27</b>

**Average DSCR : 2.42**

# Depreciation

All figures are in lakhs

Particulars	Rate	Year 1	Year 2	Year 3	Year 4	Year 5
Printer	0.00	0.36	0.32	0.27	0.23	0.19
Less Depreciation		0.05	0.05	0.04	0.03	0.03
Written down value		0.32	0.27	0.23	0.19	0.16
Special computer	0.00	1.80	1.50	1.20	0.96	0.77
Less Depreciation		0.30	0.30	0.24	0.19	0.15
Written down value		1.50	1.20	0.96	0.77	0.61
Laptop	0.00	3.36	2.80	2.24	1.79	1.43
Less Depreciation		0.56	0.56	0.45	0.36	0.29
Written down value		2.80	2.24	1.79	1.43	1.15
Computer	0.00	11.25	9.38	7.50	6.00	4.80
Less Depreciation		1.88	1.88	1.50	1.20	0.96
Written down value		9.38	7.50	6.00	4.80	3.84
Aircondition	0.00	0.85	0.74	0.63	0.54	0.46
Less Depreciation		0.11	0.11	0.09	0.08	0.07
Written down value		0.74	0.63	0.54	0.46	0.39
Almaras	0.00	0.45	0.41	0.37	0.33	0.30
Less Depreciation		0.04	0.04	0.04	0.03	0.03
Written down value		0.41	0.37	0.33	0.30	0.27
Racks and furnitures	0.00	1.25	1.15	1.03	0.93	0.84
Less Depreciation		0.10	0.11	0.10	0.09	0.08
Written down value		1.15	1.03	0.93	0.84	0.75
Office Chairs	0.00	0.75	0.66	0.56	0.47	0.40
Less Depreciation		0.09	0.10	0.08	0.07	0.06
Written down value		0.66	0.56	0.47	0.40	0.34
<b>Total less depreciation</b>		<b>3.12</b>	<b>3.15</b>	<b>2.55</b>	<b>2.06</b>	<b>1.67</b>
<b>Total written down value</b>		<b>38.80</b>	<b>35.65</b>	<b>33.10</b>	<b>31.04</b>	<b>29.37</b>

# Break Even Point

All figures are in lakhs

	Year1	Year2	Year3	Year4	Year5
Total fixed cost	61.20	67.32	74.05	81.46	89.60
Total variable cost	34.32	37.75	41.53	45.68	50.25
<b>BEP in % of installed capacity %</b>	<b>83.92 %</b>	<b>64.84 %</b>	<b>64.84 %</b>	<b>64.84 %</b>	<b>64.84 %</b>
<b>BEP in sales of Rs</b>	<b>9,000,000.00</b>	<b>9,180,000.00</b>	<b>10,098,000.00</b>	<b>11,107,800.00</b>	<b>12,218,580.00</b>

# Assumption

The entire projection is based on the assumption that the sales for 5 years will be

All figures are in lakhs

Year1	Year2	Year3	Year4	Year5
107.25	141.57	155.73	171.30	188.43

From Revenue from online, 7200000, Sales from service, 5670000

Also the total expense for the firm during the projection years will be as follows

Year1	Year2	Year3	Year4	Year5
79.60	105.07	115.58	127.14	139.85

- **The depreciation is as follows**

Particulars	Value
Printer	15%
Special computer	20%
Laptop	20%
Computer	20%
Aircondition	15%
Almaras	10%
Racks and furnitures	10%
Office Chairs	15%

- The Term loan repayment is calculated at an interest rate of 12.00% for 5 years
- Working capital loan calculated on an interest rate of 14.00 %
- Cost of the land on the basis of current rate
- Cost of building is based on current rate
- Cost of machinery is based on the quotation submitted by the supplier

- Value of raw materials & utility charges as per the current market conditions
- All other assumptions are calculated based on the basis of experience of the promoter and deep study on the working of similar model

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# Conclusion

The project as a whole describes the scope and viability of the IT & IT enabled Units industry and mainly of the financial, technical and its market potential. When we take a close look at the Debt Service Coverage Ratio (DSCR), the avg: DSCR is 2.42 : 1, which is at a **healthy proposition & proposes a profitable enture**. The Profit and Loss shows a steady growth in profit throughout the year and the firm has a **good** Current Ratio (average) of 2.84, this shows the current assets and current liabilities are managed & balanced well. The project guarantee sufficient fund to repay the loan and also give a good return on capital investment. When analyzing the social- economic impact, this project is able to generate an employment of 15 and above. It will cater the demand of IT & IT enabled Units and thus helps the other business entities to increase the production and service which provide service and support to this industry. Thus more cyclic employment and livelihood generation. So in all ways we can conclude the project is technically and socially viable and commercially sound too.