

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

COMPUTER TRAINING INSTITUTE

PROJECT REPORT

Of

COMPUTER TRAINING INSTITUTE

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Computer training Institute.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

COMPUTER TRAINING INSTITUTE

1. INTRODUCTION

With growing use of computer and its software for various applications at business, schools, hospitals, colleges, restaurants, hotels etc., the traditional job profiles have been defined in different manner and that includes Computers and Its Software at its core. More and more usage of computers in various industries makes easier and smoother tasks for business. Automobile sector uses CAD/CAM like design software for better accuracy. Hospitals use various computer applications for analysing diagnosis reports, managing customer's case history, accounting/billing and managing with insurance agency. Traders/manufacturers keep computer software for inventory control, logistics management, accounting, after sales services. At every single department of various sectors, computer has become integral part.

2. SERVICES AND ITS APPLICATION

Computer training institute will provide various courses for students and employees who want to upgrade their job profiles. List of courses will be as under:

CorelDraw	Adobe Creative Suite	Microsoft Specialization
Oracle DB	MS Excel Advanced	Animation Tools
CAD/CAM	Tally ERP	Cisco – Networking Course
Cloud Specialization	VMware / Citrix	Software Development
Computer Hardware & Assembly	Big Data	Certification Programmes

3. INDUSTRY LOOK OUT AND TREND

Information processing has become one of the most significant industries in the world in the recent past. In view of its tremendous potentialities for information processing data management, design, production, management and other various application for overall

development of the economy. There is a growing need for trained manpower in this area. As such there may be a large potential for software experts in the coming years.

4. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY

The computer software is divided into two groups viz. System software and Application Software. The system software is used for application development. It operates and interfaces with system software. Application software has wide scope for development than system software. The widely used application software is word processors, spread sheets and databases. Software like spread-sheets has simplified task of budgeting financial analysis, forecasting less time consuming, efficient, accuracy, simple and easy job. The database software has revolutionised the data management of storing, organising and retrieving information from large source of data.

5. RAW MATERIAL REQUIREMENT

Sr. No.	Description	QTY	Cost/Unit	Total Amount
1	Computers, Advanced Software & Technologies	25	₹ 30,000.00	₹ 7,50,000.00
2	Advanced Software with Licence	25	₹ 10,000.00	₹ 2,50,000.00
3	Colour Printer cum Photocopier cum Scanner	1	₹ 35,000.00	₹ 35,000.00
4	Hardware tools for Assembly Lab	10	₹ 8,500.00	₹ 85,000.00
5	Inverter	25	₹ 3,500.00	₹ 87,500.00
6	Air Conditioner	2	₹ 28,000.00	₹ 56,000.00

6. SERVICES PROCESS OUTLINE

The programmes being conducted by the centre are advertised regularly in the local newspapers, etc. The selected candidates are guided by professional counsellor for the course suitable for them depending on their background. They are also provided with the detailed programme indicating content of the course, duration, course fees. The course material will be given to the selected candidates. Students get normally 50% of the course time on computers. The institute will also provide additional computer time for undertaking projects. The centre may also offer placement assistance to the students in various

7. MAN POWER REQUIREMENT

SR. No	Designation	Salary Amount	Total Amount
1	Supervisor cum Coordinator (1)	20,000 INR	20,000 INR
2	Educator / Tutor (5)	15,000 INR	75,000 INR

8. IMPLEMENTATION SCHEDULE

Finding a location and finalizing office for rent can take around 6-8 weeks. Procuring equipment for services offering can be done parallel and generally takes 6-8 weeks. Furniture and set up of office will take around another 3-4 weeks. The whole business with well researched can be setup easily in 12-14 weeks.

9. COST OF PROJECT

Sr. No.	Particulars	Amount in Rs
1	Land	₹ 0.00
2	Building	₹ 0.00
3	Equipment/ Other fixed investment	₹ 13,68,500.00
4	Working Capital Margin (3 Months)	₹ 4,03,500.00
5	Total Cost of Project	₹ 17,72,000.00

(a) FIXED CAPITAL CALCULATION

Sr. No.	Description	QTY	Amount	Total
1	Computers, Advanced Software & Technologies	25	₹ 30,000.00	₹ 7,50,000.00
2	Advanced Software with Licence	25	₹ 10,000.00	₹ 2,50,000.00
3	Colour Printer cum Photocopier cum Scanner	1	₹ 35,000.00	₹ 35,000.00
4	Hardware tools for Assembly Lab	10	₹ 8,500.00	₹ 85,000.00
5	Inverter	25	₹ 3,500.00	₹ 87,500.00
6	Air Conditioner	2	₹ 28,000.00	₹ 56,000.00

7	Internet Infrastructure and Electrification	LS	₹ 15,000.00	₹ 15,000.00
8	Furniture	LS	₹ 90,000.00	₹ 90,000.00
	Total			₹ 13,68,500.00

(b) WORKING CAPITAL CALCULATION

Sr. No.	Description	Total
1	Salary	₹ 95,000.00
1a	Entrepreneur	₹ 20,000.00
1b	Educator/Trainer - 5 @ Rs 15,000 per Month	₹ 75,000.00
2	Raw Material	₹ 8,800.00
2a	Internet Connection Charges	₹ 1,500.00
2b	Subscription Renew for Software	₹ 4,500.00
2c	Paper Ream (500 Pages) (70 GSM)	₹ 1,300.00
2d	Ink cartridge refilling, Powder for toner refilling	₹ 1,500.00
3	Utilities	₹ 9,000.00
3a	Power	₹ 8,000.00
3b	Water	₹ 1,000.00
4	Other Expenses	₹ 6,700.00
4a	Advertising/Marketing/Social Media	₹ 800.00
4b	Stationery	₹ 1,200.00
4c	Telephone	₹ 700.00
4d	Repair and Maintenance	₹ 3,000.00
4e	Insurance	₹ 500.00
4f	Misc.	₹ 500.00
5	Rent	₹ 15,000.00
	Total	₹ 1,34,500.00

10. MEANS OF FINANCE

Sr. No.	Description	Percentage	Amount (Rs)
1	Promoter's Contribution	25%	₹ 4,43,000.00
2	Term Loan/Bank Finance	75%	₹ 13,29,000.00
	Total		₹ 17,72,000.00

(a) Cost of Operation

Sr. No.	Particulars	Amount in Rs
	Variable Cost	
1	Raw Material and Other direct inputs	₹ 15,500.00
2	Salary (60%)	₹ 57,000.00
3	Power (70%)	₹ 6,300.00
	Variable Cost 1 Month	₹ 78,800.00
	Total Annual Variable Cost	₹ 9,45,600.00
	Fixed Cost	
1	Overheads	₹ 15,000.00
2	Salary (40%)	₹ 38,000.00
3	Power (30%)	₹ 2,700.00
	<i>Sub Total</i>	₹ 55,700.00
	<i>Total for 12 Months</i>	₹ 6,68,400.00
4	Interest	₹ 1,59,480.00
5	Depreciation on Equipment @ 10%	₹ 1,21,350.00
6	Depreciation on Furniture @ 20 %	₹ 18,000.00
	Total Fixed Cost	₹ 9,67,230.00
	Total Cost of Production	₹ 19,12,830.00

(b) Turnover

Sr. No.	Description	Price per Unit	UOM	No of Students	Revenue per Month
1	Course Fee	₹ 2,500.00	per Course per Student per Month	125	₹ 3,12,500.00
	Total		Yearly Gross Income		₹ 37,50,000.00

11. WORKING CAPITAL REQUIREMENTS

Sr. No.	Particulars	Amount in Rs
1	Raw Material and Other direct inputs	₹ 15,500.00
2	Salary	₹ 57,000.00
3	Power	₹ 6,300.00

12. LIST OF MACHINERY REQUIRED

Sr. No.	Description	QTY	Amount	Total
1	Computers, Advanced Software & Technologies	25	₹ 30,000.00	₹ 7,50,000.00
2	Colour Printer cum Photocopier cum Scanner	1	₹ 35,000.00	₹ 35,000.00
3	Hardware tools for Assembly Lab	10	₹ 8,500.00	₹ 85,000.00
4	Inverter	25	₹ 3,500.00	₹ 87,500.00
5	Air Conditioner	2	₹ 28,000.00	₹ 56,000.00

13. PROFITABILITY CALCULATIONS

Specification	Amount
Net Profit (Turnover - Cost of Operation)	₹ 4,13,133.00
Net Profit Ratio (Net profit * 100/Turnover)	35.09%
Rate of Return (Net Profit * 100 / Total Cost of Project)	82.08%

Profitability Projection

Sr. No.	Particulars	UOM	Year Wise estimates					At Full Capacity
			Year 1	Year 2	Year 3	Year 4	Year 5	
1	Capacity Utilization	%	30	40	50	60	70	100
2	Sales	Rs Lakhs	₹ 11.25	₹ 15.00	₹ 18.75	₹ 22.50	₹ 26.25	₹ 37.50
3	Raw Materials &	Rs Lakhs	₹ 2.84	₹ 3.78	₹ 4.73	₹ 5.67	₹ 6.62	₹ 9.46

	Other Direct Inputs							
4	Gross Margin	Rs Lakhs	₹ 8.41	₹ 11.22	₹ 14.02	₹ 16.83	₹ 19.63	₹ 28.04
5	Overheads Except Interest	Rs Lakhs	₹ 6.68	₹ 6.68	₹ 6.68	₹ 6.68	₹ 6.68	₹ 6.68
6	Interest	Rs Lakhs	₹ 1.59	₹ 1.59	₹ 1.59	₹ 1.59	₹ 1.59	₹ 1.59
7	Depreciation	Rs Lakhs	₹ 1.39	₹ 1.39	₹ 1.39	₹ 1.39	₹ 1.39	₹ 1.39
8	Net Profit Before Tax	Rs Lakhs	-₹ 1.26	₹ 1.55	₹ 4.35	₹ 7.15	₹ 9.96	₹ 18.37
9	Profit %		-11.19%	10.30 %	23.20 %	31.80 %	37.94%	48.99%

The basis of profitability calculation:

This unit will have capacity to provide training to 1500 students in various computer programs throughout the year.

The cost of this course would be 2500 INR/Month. Students can subscribe multiple course at the same time too, according to the timetable and course schedules.

Energy Costs are considered at Rs 7 per Kwh and fuel cost is considered at Rs. 65 per liter. The depreciation of plant is taken at 10-12 % and Interest costs are taken at 14 -15 % depending on type of industry.

14. BREAKEVEN ANALYSIS

Sr. No.	Particulars	UOM	Value
1	Sales at Full Capacity	Rs Lakhs	37.50
2	Variable Costs	Rs Lakhs	9.46
3	Fixed Cost incl. Interest	Rs Lakhs	9.67
4	Break Even Capacity $BEP = FC / (Sales - Variable Cost) * 100$	% of Installed Capacity	34.49

DISCLAIMER

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