

CYBER CAFÉ

1. INTRODUCTION

In today's world, everything is connected to Internet world. People need to use Internet and Computer for various activities such as browsing, emails, video conferencing, for use of various government applications, document/presentation preparation. Cyber café is such place where with prescribed fee, public can access to internet and computer services. Here, project profile is prepared for cyber café which provides facility of video calling and printing services.

2. SERVICE AND ITS APPLICATION

Cyber café where computers are loaded with basic software, web camera and high speed internet infrastructure can provide services related to Internet on hourly basis to public.

3. DESIRED QUALIFICATION FOR PROMOTER

There is no specific need in qualification for operating Cyber Café.

4. REQUIREMENTS –MATERIAL/EQUIPMENT AND MANPOWER

Resources

1. Computers, with basic software and web camera
2. Colour Printer
3. Furniture
4. Air Conditioner
5. UPS/Inverter

6. MANPOWER

1. Entrepreneur (Self)
2. Helper/Peon

Project Building

Setup of a computer business centre requires below steps to follow.

1. Location
 - Location of cyber café should be in a busy area with good amount of residents and schools.
2. Fixed Investment
 - Computers and its suppliers need to be decided. Internet service provider with high speed internet need to be decided.
3. Office Furniture and Installation of Computers

7. IMPLEMENTATION SCHEDULE

Finding a location and finalizing office for rent can take around 6-8 weeks. Procuring computers and Installation with furniture setup can take up to another 6 weeks. The whole business with well researched can be setup easily in 12-14 weeks.

8. FIXED CAPITAL INVESTMENT

| Sr. No. | Description | Qty | Amount | Total |
|---------|--|-----|-------------|----------------------|
| 1 | Computer System with Basic Software and Web Camera | 20 | ₹ 25,000.00 | ₹ 5,00,000.00 |
| 2 | Colour Printer with Scanner | 1 | ₹ 15,000.00 | ₹ 15,000.00 |
| 3 | UPS/Inverter | 10 | ₹ 2,500.00 | ₹ 25,000.00 |
| 4 | Air Conditioner | 1 | ₹ 25,000.00 | ₹ 25,000.00 |
| | Sub Total | | | ₹ 5,65,000.00 |
| 5 | Internet Infrastructure | 1 | ₹ 5,000.00 | ₹ 5,000.00 |
| 6 | Furniture | 1 | ₹ 40,000.00 | ₹ 40,000.00 |
| 7 | Electrification | 1 | ₹ 22,600.00 | ₹ 22,600.00 |
| | Total | | | ₹ 6,32,600.00 |

9. WORKING CAPITAL (PER MONTH)

| Sr. No. | Description | Total |
|----------|--|---------------------------|
| 1 | Salary | ₹ 18,000.00 |
| 1a | Entrepreneur | ₹ 10,000.00 |
| 1b | Technical/Office Support | ₹ 8,000.00 |
| 2 | Raw Material | ₹ 1,830.00 |
| 2a | Internet Connection Charges | ₹ 700.00 |
| 2b | Paper Ream (500 Pages) (70 GSM) | ₹ 780.00 |
| 2c | Ink cartridge refilling, Powder for toner refilling etc. | ₹ 350.00 |
| 3 | Utilities - Power | ₹ 6,500.00 |
| 4 | Other Expenses | ₹ 3,500.00 |
| 4a | Advertising/Marketing/Social Media | ₹ 150.00 |
| 4b | Stationery | ₹ 350.00 |
| 4c | Telephone | ₹ 500.00 |
| 4d | Repair and Maintenance | ₹ 2,000.00 |
| 4e | Insurance | ₹ 250.00 |
| 4f | Misc | ₹ 250.00 |
| 5 | Rent | ₹ 10,000.00 |
| | <u>Total</u> | <u>₹ 39,830.00</u> |

10. COST OF PROJECT

| Sr. No. | Particulars | Amount in Rs |
|----------|------------------------------------|----------------------|
| 1 | Land | ₹ 0.00 |
| 2 | Building | ₹ 0.00 |
| 3 | Equipments/ Other fixed investment | ₹ 6,32,600.00 |
| 4 | Working Capital Margin (3 Months) | ₹ 1,19,490.00 |
| 5 | Total Cost of Project | ₹ 7,52,090.00 |

11. MEANS OF FINANCE

| Sr. No. | Description | %age | Amount (Rs) |
|---------|-------------------------|------|---------------|
| 1 | Promoter's Contribution | 25% | ₹ 1,88,022.50 |
| 2 | Term Loan/Bank Finance | 75% | ₹ 5,64,067.50 |
| | Total | | ₹ 7,52,090.00 |

Cost of Operation

| Sr. No. | Particulars | Amount in Rs |
|---------|--------------------------------------|----------------------|
| | <u>Variable Cost</u> | |
| 1 | Raw Material and Other direct inputs | ₹ 5,330.00 |
| 2 | Salary (60%) | ₹ 10,800.00 |
| 3 | Power (70%) | ₹ 4,550.00 |
| | Variable Cost 1 Month | ₹ 20,680.00 |
| | Total Annual Variable Cost | ₹ 2,48,160.00 |
| | <u>Fixed Cost</u> | |
| 1 | Overheads | ₹ 10,000.00 |
| 2 | Salary (40%) | ₹ 7,200.00 |
| 3 | Power (30%) | ₹ 1,950.00 |
| | <i>Sub Total</i> | ₹ 19,150.00 |
| | <i>Total for 12 Months</i> | ₹ 2,29,800.00 |
| 4 | Interest | ₹ 67,688.10 |
| 5 | Depreciation on Equipments @ 10% | ₹ 51,500.00 |
| 6 | Depreciation on Furniture @ 20 % | ₹ 8,000.00 |
| | Total Fixed Cost | ₹ 3,56,988.10 |
| | Total Cost of Production | ₹ 6,05,148.10 |

Turnover

| Sr. No. | Description | Unit Price | Unit | Qty per Day | Revenue per Day | Monthly Amount (25 Working Days) |
|---------|---|------------|----------------------------|-------------|-----------------|----------------------------------|
| 1 | Internet Browsing (20 PCs x 8 hours) | ₹ 20 | Hour | 140 | ₹ 2,800.00 | ₹ 80,000.00 |
| 2 | Printing Documents Colour | ₹ 10 | Pages | 10 | ₹ 100.00 | ₹ 5,000.00 |
| 3 | Printing Documents B/W | ₹ 5 | Pages | 50 | ₹ 250.00 | ₹ 9,375.00 |
| 4 | Scan | ₹ 5 | Pages | 10 | ₹ 50.00 | ₹ 2,500.00 |
| | | | Monthly Gross Income | | | ₹ 96,875.00 |
| | Total | | Yearly Gross Income | | | ₹ 11,62,500.00 |

12. PROFITABILITY CALCULATION

| | |
|--|----------------------|
| Net Profit (Turnover - Cost of Operation) | ₹ 5,57,351.90 |
| Net Profit Ratio (Net profit * 100/Turnover) | 47.94% |
| Rate of Return (Net Profit * 100 / Total Cost of Project) | 74.11% |

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 | ₹ 3.49 | ₹ 4.65 | ₹ 5.81 | ₹ 6.98 | ₹ 8.14 | ₹ 11.63 |
| 3 | Raw Materials & Other Direct Inputs | Rs Lakhs | ₹ 0.74 | ₹ 0.99 | ₹ 1.24 | ₹ 1.49 | ₹ 1.74 | ₹ 2.48 |
| 4 | Gross Margin | Rs Lakhs | ₹ 2.74 | ₹ 3.66 | ₹ 4.57 | ₹ 5.49 | ₹ 6.40 | ₹ 9.14 |
| 5 | Overheads Except Interest | Rs Lakhs | ₹ 2.30 | ₹ 2.30 | ₹ 2.30 | ₹ 2.30 | ₹ 2.30 | ₹ 2.30 |
| 6 | Interest | Rs Lakhs | ₹ 0.68 | ₹ 0.68 | ₹ 0.68 | ₹ 0.68 | ₹ 0.68 | ₹ 0.68 |
| 7 | Depreciation | Rs Lakhs | ₹ 0.60 | ₹ 0.60 | ₹ 0.60 | ₹ 0.60 | ₹ 0.60 | ₹ 0.60 |
| 8 | Net Profit Before Tax | Rs Lakhs | -₹ 0.83 | ₹ 0.09 | ₹ 1.00 | ₹ 1.92 | ₹ 2.83 | ₹ 5.57 |
| | | | -23.71% | 1.88% | 17.24% | 27.47% | 34.78% | 47.94% |

13. BREAKEVEN ANALYSIS

| Sr. No. | Particulars | UOM | Value |
|---------|--|-------------------------|--------------|
| 1 | Sales at Full Capacity | Rs Lakhs | 11.63 |
| 2 | Variable Costs | Rs Lakhs | 2.48 |
| 3 | Fixed Cost incl. Interest | Rs Lakhs | 3.57 |
| 4 | Break Even Capacity $\text{BEP} = \frac{\text{FC}}{(\text{Sales} - \text{Variable Cost})} \times 100$ | % of Installed Capacity | 39.04 |