

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. SERVICE 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 Hadoop	Certification Programmes

3. DESIRED QUALIFICATION FOR PROMOTER

Promoter with computer engineering background can have advantage as to understand various courses and thus recruitment of teachers, procurement of software/computers and keeping pace with market trend can become easier.

4. REQUIREMENTS – MATERIAL/EQUIPMENT AND MANPOWER

Resources

1. Computers, with advanced processors and hardware	2. Colour Printer, Photocopy machine, Scanner
3. Advanced Software with Licences	4. Hardware tools for Assembly Lab
5. Air Conditioner	6. UPS/Inverter

5. MANPOWER

1. Entrepreneur
2. Educators/Trainers – Computer Diploma/ Engineer - 5

Project Building

Setup of a Computer Training Centre requires below steps to follow.

1. Decide a location for office
 - This is most crucial part. Location should be such that where larger number of schools are located in nearby area. Also, more nearby colleges can be an added advantage. Location should be easily accessible and have sufficient parking for Students.
2. Recruitment of educators and training of staff
3. Fixed Investment
 - Procurement of computers and hardware for setup of Lab. Installing advanced licensed software on each computer. Air-conditioners and office furniture need to be setup.
4. Advertising and Social Media marketing
 - There has to be active social media presence for Institute to get success. Pamphlets, brochures etc. need to be circulated well in advance. Banners and boards need to be designed and published before starting for admission.

5. 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.

6. FIXED CAPITAL INVESTMENT

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

7. WORKING CAPITAL (PER MONTH)

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	<input type="checkbox"/> 1,200.00
4c	Telephone	<input type="checkbox"/> 700.00
4d	Repair and Maintenance	<input type="checkbox"/> 3,000.00
4e	Insurance	<input type="checkbox"/> 500.00
4f	Misc	<input type="checkbox"/> 500.00
5	Rent	<input type="checkbox"/> 15,000.00
	<u>Total</u>	<input type="checkbox"/> <u>1,34,500.00</u>

8. COST OF PROJECT

Sr. No.	Particulars	Amount in Rs
1	Land	<input type="checkbox"/> 0.00
2	Building	<input type="checkbox"/> 0.00
3	Equipments/ Other fixed investment	<input type="checkbox"/> 13,68,500.00
4	Working Capital Margin (3 Months)	<input type="checkbox"/> 4,03,500.00
5	Total Cost of Project	<input type="checkbox"/> 17,72,000.00

9. MEANS OF FINANCE

Sr. No.	Description	%age	Amount (Rs)
1	Promoter's Contribution	25%	<input type="checkbox"/> 4,43,000.00
2	Term Loan/Bank Finance	75%	<input type="checkbox"/> 13,29,000.00
	Total		<input type="checkbox"/> 17,72,000.00

Cost of Operation

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

Turnover

Sr. No.	Description	Price per Unit	UOM	No of Students	Revenue per Month
1	Course Fee	<input type="checkbox"/> 2,500.00	per Course per Student per Month	125	<input type="checkbox"/> 3,12,500.00
	Total		Yearly Gross Income		<input type="checkbox"/> 37,50,000.00

10. PROFITABILITY CALCULATION

Net Profit (Turnover - Cost of Operation)	<input type="checkbox"/> 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 & Other Direct Inputs	Rs Lakhs	□ 2.84	□ 3.78	□ 4.73	□ 5.67	□ 6.62	□ 9.46
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%

11. BREAK EVEN 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

