

PROJECT PROFILE ON MOBILE PHONE REPAIRING AND SERVICING

1. Product:- Mobile Phone Repairing and Servicing

2. Production capacity:- Qty. 300 Nos
(Value Rs 15,00,000)

3. Month & year of Preparation:- 2010-2011

4. Prepared by:-
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1. Introduction

Mobile Phone is an electronic device used for communication and messaging. Now days this has become very popular and essential need of the society. These are available in various make and brands in the market. Therefore repairing and servicing of mobile phones are also required to be done. This has got a prospective market.

2. Market Potential

Repairing and Servicing of mobile phones have a good market prospect all over the country. This business can be started in a very less investment. Though branded companies have their own service centre but the demand for repairing of mobile phones are very high therefore more service centres are required.

3. Basis and presumptions

- (i) The basis for calculation of production capacity has been taken on single shift basis on 75% efficiency.
- (ii) The maximum capacity utilisation on single shift basis for 300 days a year. During first year and second year of operations the capacity utilisation is 60% and 80% respectively. The unit is expected to achieve full capacity utilisation from the third year onward.
- (iii) The salaries and wages, cost of raw materials, utilities, rent etc are based on the prevailing rates in and around Patna. These cost factors are likely to vary with time and location.
- (iv) Interest on term loan and working capital loan must be preferably current rate. Otherwise the rate of interest on an average may be taken as 13%. This rate may vary depending upon the policy of the financial institution/agencies from time to time.
- (v) The cost of machinery and equipment refer to a particular make/model and prices are approximate.
- (vi) The breakeven point percentage indicated is of full capacity utilisation.
- (vii) The project preparation cost etc whenever required could be considered under preoperative expenses.
- (viii) The essential production machinery and test equipments required for the projects have been indicated. The unit may utilize common test facilities available at ETDC and ERTLs and Regional Testing Centre (RTC).

4. Implementation Schedule

The major activities in the implementation of the project has been listed and the average time for implementation of the project is estimated at 12 months:

<u>Name of activity</u> (suggestive)	<u>Period in months</u>
1.Preparation of Project Report	1
2.Registration and other formalities	1
3.Sanction of loan by financial institution	3
4. Plant and machinery	
(a) Placement of order	1
(b) Procurement	2
(c) Installation /erection of machinery/test equipments	2
5.Procurement of raw material	2
6.Recruitment of technical person etc	2
7. Trial production	11 th month
8.commercial production	12 th month

Note

1. Many of the above activities shall be initiated concurrently.
2. Procurement of raw materials commences from 8th month onwards.
3. When imported plant and machinery are required the implementation period of projects may vary from 12 months to 15 months.

5. Technical aspect

I. Process

Process of Servicing; repairing of mobile phones involves two part one hardware repairing and another software repairing. Hardware fault may be detected by multimeter and the faulty parts may be replaced. The software part may be rectified with the help of Personnel Computer and CD drive of the software installed in mobile phones. If the fault is related to software the mobile phone is connected to computer vide data cable and necessary checking is done. Reinstallation of software is done if required. The hardware such as mic, speaker, LCD display, IC, Charging connector. Battery connector, Sim connector, PCB board are checked and necessary repairing is done. Proper training is required for repairing and servicing of mobile phones.

II. Quality standards As Per Customer Requirements

III. Production capacity per annum

Qty:	3000
Value;	1500000

IV. Motive power

5kw

V. Pollution control

The repairing and servicing of mobile phones does not create any pollution. However efforts shall be made to keep the unit clean and proper disposal of wastage is to be done so that there is minimum pollution in the unit.

VI. Energy conservation

With the growing energy needs and shortage coupled with rising energy cost, a greater thrust in energy efficiency in industrial sector has been given by Govt. of India since 1980s. The energy Conservation Act 2001 has been enacted on 18th August 2001 which provides for efficient use of energy its conservation and capacity building of Bureau of Energy Efficiency created under the act.

The following steps may be help for conservation of Electrical Energy:

- i) Adoption of energy conserving technology, production aids and testing facilities.
- ii) Efficient management of process/manufacturing machineries and systems, QC and testing equipments for yielding maximum energy conservation.
- iii) Optimum use of electrical energy for heating during soldering process can be obtained by using efficient temperature controlled soldering and desoldering stations.
- iv) Periodical maintenance of motors compressors etc
- v) Use of power factor correction capacitors, proper selection and layout of lighting systems timely switching on/off of the lights, use of Compact Fluorescent Lamps wherever possible.

6. FINANCIAL ASPECT

(I) Land and building

Built up Area	1000Sqft
Office, Store	300Sqft
Assembly and Testing	700sqft
Rent payable Per Annum	Rs.60000

(ii) Machinery and equipment

Sn	Description	Ind/imp	Qty	Value (RS.)
1	Personal Computer with Peripherals & Software	Indian	01	50000
2	Hot Air Gun	Indian	04	20000
3	Flashing box and unlocking box	Indian	01	15000
4	Card Reader	Indian	01	1000
5	Digital Multimeter	Indian	01	5000
6	Magnifying Glass	Indian	04	4000
7	DC Power Supply	Indian	01	1000
8	BGA (Ball Grid array)	Indian	02	1000
9	Data Cable	Indian	01	1200
10	Misc.			5000

Total = 103200

Other Fixed Assets in (RS.)

Electrification charges@ 10% of cost of machinery and equipment	10320
Office equipment, furniture and working table etc	10,000
Tools, jigs and fixtures	5,000
Pre operative expenses	5,000
Misc.	2,000
Total	32320

Total Fixed Capital = 135520

Working Capital Per Month

i) Staff & Labour

SN	Description	No of Persons	Salary/month (RS.)	Total Salary per month (RS.)
1	Service Centre Manager	01	4000	4000
2	Skilled worker	02	3000	6000
3	Semi Skilled worker	02	2500	5000

Total = 15000

ii) Raw Material Requirement Per Month

SN	Description	Qty	Value (Rs.)
1	SMD Components	125	5000
2	Memory IC (C.Cont.)	100	8000
3	SMD Chips	50	12000
4	Antenna switch	100	5000
5	Power Amplifier	50	6000
7	3310 on/off switch	100	5000
8	Buzzer	50	3000
9	POD Paste		1000
10	Soldering, desoldering wire		1000
11	Mic, speaker	100	4000
12	Battery connector	50	2500
	Misc.		3000

Total= 55500

iii) Utilities Per Month

Value in (RS.)

Power	1500
Water	500

Total=2000

iv) Other Contingent Expenditure Per Month

SN	Item	Amount (RS.)
1	Rent	5000
2	Postage and stationary	500
3	Telephone/fax	1000
4	Repair and maintenance	1000
5	Transport and conveyance charges	1000
6	Advt. And publicity	1000
7	Insurance and taxes	1000
8	Miscellaneous expenditure	1000

Total= 11500

Total Reoccurring Expenditure Per Month (I+ii+iii+iv)=84000/-

Total Capital Investment (In RS.)

Fixed capital	135520
Working capital for three month	252000

Total=387520

Financial analysis

Cost of production per annum

Total reoccurring expenditure	1008000
Depreciation on machinery and equipment@ 10%	10320
Depreciation on tools, jigs and fixtures @25%	1250
Depreciation on office equipments, furniture @ 20%	2000
Interest on total Capital investment @ 13%	50378

Total= 1071948

Turn over per annum

Item	Qty (Nos)	Rate/unit	Total servicing value (Rs.)
Mobile phone repairing And servicing	3000	500	1500000

Profit per annum (before Taxes)= Turn over per annum- Cost of

Production per annum = 1500000-1071948=428052

**Net profit ratio= profit/annum*100/sales/annum
= 29 %**

**Rate of Return = Profit/annum*100/ Total Capital Investment
= 110 %**

Break-even Point

Fixed cost per annum

Rent	60,000
Depreciation on machinery and equipment @ 10%	10320
Depreciation on tools, jigs and fixtures @ 25%	1250
Depreciation on office equipment, furniture @ 20%	2000
Interest on total capital investment@ 13%	50378
Insurance	6000
40% of salaries and wages	72000
40% of other contingents & utilities (excluding rent & insurance)	36000
Total fixed cost	237948

**Break even point = fixed cost *100/ fixed cost +Profit
= 237948*100/237948+428052 = 36 %**

Additional information

- ❖ The Project Profile may be modified/tailored to suit the individual entrepreneurship qualities/capacity, production programme and also suit the location characteristics, wherever applicable.
- ❖ The margin money recommended is 25 % of the working capital requirement at an average. However, the percentage of margin money may vary as per bank's discretion

Name & address of Machinery and equipment supplier

- ❖ M/S Noble electronics, 354, Lajpat Rai Market, Delhi-6
- ❖ M/S CTTC, Max Plaza, Gali No 17, Ist Floor, Beadon Pura, Karolbag, New Delhi

And Local Market Of Delhi and Patna.

Name & address of raw Material Suppliers

The raw materials are available in local electronic market of Patna and Delhi.