

CYBER CAFÉ AND XEROX LAMINATION

1. INTRODUCTION

Computer and Internet becomes necessary in today's global world. Many people repeatedly need computer access for work like emails, online taxation filing, project preparation etc. Some people need internet access occasionally for emails, chatting, video calling for distant relatives, web browsing etc. They don't want to maintain proper infrastructure for computer facility and some of them can't afford to have computer infrastructure. With Xerox and Lamination, this centre can provide added benefit of photocopy and lamination to customers. With internet facility, people can have easy access to printing documents and complete their project report at single centre

2. SERVICE AND ITS APPLICATION

This business setup can provide facility of working on computer and Internet on hourly basis. Moreover, customers can have access to photocopy and printing of documents and also can laminate their id cards, important documents like degree certificate, government licence, photographs etc.

3. DESIRED QUALIFICATION FOR PROMOTER

There is no specific need in qualification for operating Cyber Café with Xerox and Lamination.

4. INDUSTRY LOOK OUT AND TRENDS

The fast growing of the IT sector there has raised great demand for Cyber Cafes for receiving and sending communication through Electronic mail. Apart from mails the clients can visit various sites to gather information on topics of interest; it is also a source of entertainment as movies can be watched and songs can be downloaded and online shopping. It very much addresses the needs of the more demanding generations.

5. MARKET POTENTIAL AND MARKETING ISSUES. IF ANY

A survey has indicated that Cyber Cafes have caught the imagination of the youth and these centres are the busiest due to the fact that information needs of the users today are fulfilled. They have users of all ages, genders and of various backgrounds, experience and interests. There are also creative uses of these centres like video conferencing, surfing the nets etc. Students find it especially useful. The café will also have provision for Xerox.

6. RAW MATERIAL REQUIREMENT

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

7. SERVICE PROCESS OUTLINE

Setup of a 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

8. MANPOWER REQUIREMENT

Sr. No.	Description	Total
1	Entrepreneur @ 12000 Rs per Month	₹ 12,000.00
2	Technical/Office Support – 1 @ Rs 8000 per Month	₹ 8,000.00

9. IMPLIMENTATION SHEDULE

The project can be implemented in a period of 3 to 5 months by performing the various activities in a systematic manner and simultaneous application of various common activities as mentioned below:

SR. No	Task Description	Duration
1.	Preparation of project reports	15 Days (1 st Month)
2	Essential registration	15 Days (1 st Month)
3	Site Selection	5-10 Days (1 st Month)
4	Arrangement of Finance/ loan	30 Days (2 nd Month)
5	Arrangement of rented accommodation	30 Days (2 nd Month)
6	Machinery and Equipment purchase	10 Days (3 rd Month)
7	Recruitment of staff and labour	10 Days (3 rd Month)
8	Installation of Machinery	10 Days (3 rd Month)
9	Trial Operation	4 th Month
10	Commercial Operation	5 th Month

10. COST OF PROJECT

Sr. No.	Particulars	Amount in Rs
1	Land	₹ 0.00
2	Building	₹ 0.00
3	Equipments/ Other fixed investment	₹ 8,74,500.00
4	Working Capital Margin (3 Months)	₹ 1,45,500.00
5	Total Cost of Project	₹ 10,20,000.00

(A) Fixed capital calculation

Sr. No.	Description	Qty	Amount	Total
1	Computer System with Basic Software and Web Camera	20	₹ 25,000.00	₹ 5,00,000.00
2	Lamination Machine	1	₹ 2,000.00	₹ 2,000.00
3	Colour Printer and Photocopy Machine	1	₹ 1,55,000.00	₹ 1,55,000.00
4	UPS/Inverter	20	₹ 3,000.00	₹ 60,000.00
5	Air Conditioner	1	₹ 28,000.00	₹ 28,000.00
	Sub Total			₹ 7,45,000.00
6	Internet Infrastructure	1	₹ 5,000.00	₹ 5,000.00
7	Furniture	1	₹ 50,000.00	₹ 50,000.00
8	Electrification	1	₹ 74,500.00	₹ 74,500.00
	Total			₹ 8,74,500.00

(B) Working capital calculation

Sr. No.	Description	Total
1	Salary	₹ 20,000.00
1a	Entrepreneur @ 12000 Rs per Month	₹ 12,000.00
1b	Technical/Office Support – 1 @ Rs 8000 per Month	₹ 8,000.00
2	Raw Material	₹ 6,950.00
2a	Internet Connection Charges	₹ 700.00
2b	Paper Ream (500 Pages) (70 GSM) – 15 Units	₹ 3,900.00
2c	Film Roll for Lamination (80 Microns) – 200 Units	₹ 2,000.00
2d	Ink cartridge refilling, Powder for toner refilling etc.	₹ 350.00
3	Utilities – Power/Electricity	₹ 6,500.00
4	Other Expenses	₹ 5,050.00
4a	Advertising/Marketing/Social Media	₹ 150.00
4b	Stationery	₹ 500.00
4c	Telephone	₹ 700.00
4d	Repair and Maintenance	₹ 2,500.00
4e	Insurance	₹ 700.00
4f	Misc.	₹ 500.00
5	Rent	₹ 10,000.00
	<u>Total</u>	<u>₹ 48,500.00</u>

11. MEANS OF FINANCE

Sr. No.	Description	Percentage	Amount (Rs)
1	Promoter's Contribution	25%	₹ 2,55,000.00
2	Term Loan/Bank Finance	75%	₹ 7,65,000.00
	Total		₹ 10,20,000.00

(a) Cost of Operation

Sr. No.	Particulars	Amount in Rs
	<u>Variable Cost</u>	
1	Raw Material and Other direct inputs	₹ 12,000.00
2	Salary (60%)	₹ 12,000.00
3	Power (70%)	₹ 4,550.00
	Variable Cost 1 Month	₹ 28,550.00
	<i>Total Annual Variable Cost</i>	₹ 3,42,600.00
	<u>Fixed Cost</u>	
1	Overheads	₹ 10,000.00
2	Salary (40%)	₹ 8,000.00
3	Power (30%)	₹ 1,950.00
	<i>Sub Total</i>	₹ 19,950.00
	<i>Total for 12 Months</i>	₹ 2,39,400.00
4	Interest	₹ 91,800.00
5	Depreciation on Equipments @ 10%	₹ 69,500.00
6	Depreciation on Furniture @ 20 %	₹ 10,000.00
	<i>Total Fixed Cost</i>	₹ 4,10,700.00
	Total Cost of Production	₹ 7,53,300.00

(b) Turnover

Sr. No.	Description	Unit Price	Unit	Qty per Day	Revenue per Day	Monthly Amount (20 Working Days)
1	Internet Browsing (20 PCs x 8 hours)	₹ 20	Hour	160	₹ 3,200.00	₹ 80,000.00
2	Printing Documents Colour	₹ 10	Pages	20	₹ 200.00	₹ 5,000.00
3	Printing Documents B/W	₹ 5	Pages	75	₹ 375.00	₹ 9,375.00
4	Scan	₹ 5	Pages	10	₹ 50.00	₹ 1,250.00
5	Photocopy	₹ 1	Pages	300	₹ 300.00	₹ 7,500.00
6	Lamination	₹ 15	Pages	15	₹ 225.00	₹ 5,625.00
			Monthly Gross Income			₹ 1,08,750.00
	Total		Yearly Gross Income			₹ 13,05,000.00

12. WORKING CAPITAL REQUIREMENTS

Sr. No.	Description	Total
1	Salary	₹ 20,000.00
1a	Entrepreneur @ 12000 Rs per Month	₹ 12,000.00
1b	Technical/Office Support – 1 @ Rs 8000 per Month	₹ 8,000.00
2	Raw Material	₹ 6,950.00
2a	Internet Connection Charges	₹ 700.00
2b	Paper Ream (500 Pages) (70 GSM) – 15 Units	₹ 3,900.00
2c	Film Roll for Lamination (80 Microns) – 200 Units	₹ 2,000.00
2d	Ink cartridge refilling, Powder for toner refilling etc.	₹ 350.00

13. LIST OF MACHINERY REQUIRED

Sr. No.	Description	Qty	Amount	Total
1	Computer System with Basic Software and Web Camera	20	₹ 25,000.00	₹ 5,00,000.00
2	Lamination Machine	1	₹ 2,000.00	₹ 2,000.00
3	Colour Printer and Photocopy Machine	1	₹ 1,55,000.00	₹ 1,55,000.00
4	UPS/Inverter	20	₹ 3,000.00	₹ 60,000.00
5	Air Conditioner	1	₹ 28,000.00	₹ 28,000.00

All the machines and equipments are available from local manufacturers. The entrepreneur needs to ensure proper selection of product mix and proper type of machines and tooling to have modern and flexible designs. It may be worthwhile to look at reconditioned imported machines, dies and tooling. Some of the machinery and dies and tooling suppliers are listed here below:

1. Impressive Computers
Hasan Ali House No. 4/41-A,
Noor Baug, Umerkhadi,
Mumbai - 400009,
Maharashtra, India
2. Computer Planet
Shop No. 1, Shaniwar Peth-53,
Opposite Amruteshwar Mandir,
Amruteshwar Co Operative Housing Society,
Near Shaniwar Wada,
Pune – 411030,
Maharashtra, India
3. Visicube Technologies Private limited
Door No. 1-8-315,
Begumpet, Opposite US Consulate,
Hyderabad - 500016,
Telangana, India
4. Micon Automation Systems Private Limited
A-814, Siddhi Vinayak Towers,
Behind DCP Office, Makarba,
Ahmedabad - 380051,
Gujarat, India
5. Adaptek Automation Technology
No. 13, F- 3, 2nd Floor,
Main Road, Adyar Nehru Nagar,

Near H.D.F.C. Bank A.T.M.,
Chennai - 600020,
Tamil Nadu, India

14. PROFITABILITY CALCULATION

Net Profit (Turnover - Cost of Operation)	₹ 1,61,100.00
Net Profit Ratio (Net profit * 100/Turnover)	17.62%
Rate of Return (Net Profit * 100 / Total Cost of Project)	15.79%

(a) 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	₹ 3.92	₹ 5.22	₹ 6.53	₹ 7.83	₹ 9.14	₹ 13.05
3	Raw Materials & Other Direct Inputs	Rs Lakhs	₹ 1.03	₹ 1.37	₹ 1.71	₹ 2.06	₹ 2.40	₹ 3.43
4	Gross Margin	Rs Lakhs	₹ 2.89	₹ 3.85	₹ 4.81	₹ 5.77	₹ 6.74	₹ 9.62
5	Overheads Except Interest	Rs Lakhs	₹ 2.39	₹ 2.39	₹ 2.39	₹ 2.39	₹ 2.39	₹ 2.39
6	Interest	Rs Lakhs	₹ 0.92	₹ 0.92	₹ 0.92	₹ 0.92	₹ 0.92	₹ 0.92
7	Depreciation	Rs Lakhs	₹ 0.80	₹ 0.80	₹ 0.80	₹ 0.80	₹ 0.80	₹ 0.80
8	Net Profit Before Tax	Rs Lakhs	-₹ 1.22	-₹ 0.26	₹ 0.71	₹ 1.67	₹ 2.63	₹ 5.52
9	Profit %		-31.16%	-4.93%	10.80%	21.30%	28.79%	42.28%

The basis of profitability calculation:

This unit will have capacity to provide internet browsing 57,600 hours/year; printing documents 25,200 pages/year(this include B/W and colored prints both.); data entry and

accounting services and online web application support. (these additional services are depends on requirements) .

The cost of one hour for internet browsing would be 20 INR. Cost for B/W print will be 5 INR/page and 10 INR/page for colored print. Data entry and accounting job will be charges 250 INR/hour.

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.

15. BREAKEVEN ANALYSIS

Sr. No.	Particulars	UOM	Value
1	Sales at Full Capacity	Rs Lakhs	13.05
2	Variable Costs	Rs Lakhs	3.43
3	Fixed Cost incl. Interest	Rs Lakhs	4.11
4	Break Even Capacity $BEP = FC / (Sales - Variable Cost) * 100$	% of Installed Capacity	42.67

16. STATUTORY / GOVERNMENT APPROVALS

All cyber cafes shall be registered with a URN (Unique Registration Number) through an agency called as registration agency has been notified by the state Government in this regard. The requirements of registration shall include: Name of establishment, Address with contact details including email address, Whether individual or partnership or sole proprietorship or society or company, Name of owner, Date of Incorporation, Whether registered or not (if yes, copy of registration with Registrar of Firms or Registrar of Companies or Societies), Type of service to be provided from cyber café.

Registration organization chooses the officer to check or investigate cyber cafe and the PC asset of system set up in that, whenever to check whether the cyber bistro is working as indicated by the principles specified or not. Inspecting officer have the privilege to check each related registers, reports and any important data to the reviewing officer on demand.[Information Technology Rules-2011]

Licenses expected to open Cyber Café

1. Enlistment of business name with state government, if necessary. A DBA (Doing Business As) is required at whatever point you are leading business under a name other than your own. Enrolling a DBA name is commonly done through state government or area agent's office.
2. Deals assess permit. This can be acquired from your state Department of Taxation and Finance. You should keep legitimate data on the things sold and their sum and the business charge that was gathered.
3. Government charge ID number. You should record a different assessment form for your business and along these lines should have an elected duty ID number. You can discover the shape online at www.irs.gov.
4. Acquire building permits. Check with your neighbourhood region for the sorts of grants required. Get a legitimate counsellor in the event that you don't know how to round out the structures—better to pay little expenses in advance and have genuine feelings of serenity than to have costly intricacies down the road. [http://www.wikihow.com/Set-up-an-Internet-Cafe] Entrepreneur may contact State Pollution Control Board where ever it is applicable.

17. BACKWARD AND FORWARD INTEGRATIONS

The basis for calculation of Production Capacity has been taken on Single Shift basis on 75% efficiency. The Salaries & Wages, Utilities, Cost of Land and Rents etc. are based on prevailing rates in 2017-18 in and around Ahmedabad. These cost factors are likely to vary with time and location. Interest of term loan and working capital loan has been taken at the rate of 13% on an average prevailing in 2014-15. This rate may vary depending upon the policy of the financial Institution/agencies from time to time. The cost of Machinery and Equipment refer to a particular make/model and the prices are approximate prevailing in 2017-18. The breakeven point percentage indicated is on full capacity utilization. The project preparation cost etc., whenever required could be considered under pre-operative expenses.

18. TRAINING CENTERS AND COURSES

There is no specific course in repairing and assembling services, but the most authorized centre is government authorized "ITI" available in all the cities across the country. India Training institute of computer technology conducts various technical courses in different cities to enable students to make a bright career. Most of our vocational programs are job-oriented with which students can start earning the day they finish their training or can learn them as a hobby. Students can join for any of these in vacations as all these are short-term certificate courses.

Udyamimitra portal (link : www.udyamimitra.in) can also be accessed for hand-holding services viz. application filling / project report preparation, EDP, financial Training, Skill Development, mentoring etc.

Entrepreneurship program helps to run business successfully is also available from Institutes like Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

Disclaimer:

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.