



# 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.]

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**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.

1. **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 |

1. **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.

1. **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.

1. **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 |

1. **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

corporate sectors. Besides the training, the centre can also undertake separately data processing work.

1. **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 |

1. **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.

1. **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** |

* 1. **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 |
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| 4 | Hardware tools for Assembly Lab | 10 | ₹ 8,500.00 | ₹ 85,000.00 |
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| 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** |

* 1. **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** |

1. **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 |

* 1. **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 |
|  | Sub Total | ₹ 55,700.00 |
|  | Total for 12 Months | ₹ 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** |

* 1. **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 |

1. **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 |

1. **LIST OF MACHINERY REQUIRED**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sr. No.** | **Description** | | | | **QTY** | **Amount** | | **Total** | |
| **1** | Computers,  Technologies | Advanced | Software | & | 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 |

1. **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.

1. **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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