

# 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. 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  |

## 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. 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.

#### 5. 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.

#### 6. 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   |

## 7. 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.

## 8. 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   |

## 9. 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.

## 10. 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       | <b>Total Cost of Project</b>      | <b>₹ 17,72,000.00</b> |

### (a) FIXED CAPITAL CALCULATION

| Sr. No. | Description | QT | Amount | Total |
|---------|-------------|----|--------|-------|
|---------|-------------|----|--------|-------|

|   |                                             | Y  |             |                       |
|---|---------------------------------------------|----|-------------|-----------------------|
| 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           |
|   | <b>Total</b>                                |    |             | <b>₹ 13,68,500.00</b> |

## (b) WORKING CAPITAL CALCULATION

| Sr. No.  | Description                                         | Total                |
|----------|-----------------------------------------------------|----------------------|
| <b>1</b> | <b>Salary</b>                                       | <b>₹ 95,000.00</b>   |
| 1a       | Entrepreneur                                        | ₹ 20,000.00          |
| 1b       | Educator/Trainer - 5 @ Rs 15,000 per Month          | ₹ 75,000.00          |
| <b>2</b> | <b>Raw Material</b>                                 | <b>₹ 8,800.00</b>    |
| 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           |
| <b>3</b> | <b>Utilities</b>                                    | <b>₹ 9,000.00</b>    |
| 3a       | Power                                               | ₹ 8,000.00           |
| 3b       | Water                                               | ₹ 1,000.00           |
| <b>4</b> | <b>Other Expenses</b>                               | <b>₹ 6,700.00</b>    |
| 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             |
| <b>5</b> | <b>Rent</b>                                         | <b>₹ 15,000.00</b>   |
|          | <b>Total</b>                                        | <b>₹ 1,34,500.00</b> |

## 11. MEANS OF FINANCE

| Sr. No.  | Description             | Percentage | Amount (Rs)           |
|----------|-------------------------|------------|-----------------------|
| <b>1</b> | Promoter's Contribution | 25%        | ₹ 4,43,000.00         |
| <b>2</b> | Term Loan/Bank Finance  | 75%        | ₹ 13,29,000.00        |
|          | <b>Total</b>            |            | <b>₹ 17,72,000.00</b> |

(a) Cost of Operation

| Sr. No. | Particulars                          | Amount in Rs          |
|---------|--------------------------------------|-----------------------|
|         | <b>Variable Cost</b>                 |                       |
| 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           |
|         | <b>Total Annual Variable Cost</b>    | <b>₹ 9,45,600.00</b>  |
|         | <b>Fixed Cost</b>                    |                       |
| 1       | Overheads                            | ₹ 15,000.00           |
| 2       | Salary (40%)                         | ₹ 38,000.00           |
| 3       | Power (30%)                          | ₹ 2,700.00            |
|         | <i>Sub Total</i>                     | ₹ 55,700.00           |
|         | <i>Total for 12 Months</i>           | ₹ 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           |
|         | <b>Total Fixed Cost</b>              | <b>₹ 9,67,230.00</b>  |
|         | <b>Total Cost of Production</b>      | <b>₹ 19,12,830.00</b> |

(b) 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     |
|         | <b>Total</b> |                | <b>Yearly Gross Income</b>       |                | ₹ 37,50,000.00    |

12. 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   |

### 13. LIST OF MACHINERY REQUIRED

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

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, 2<sup>nd</sup> Floor,  
Main Road, Adyar Nehru Nagar,  
Near H.D.F.C. Bank A.T.M.,  
Chennai - 600020,  
Tamil Nadu, India

## 14. 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 & 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%  |

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.

## 15. 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                   | % of Installed Capacity | <b>34.49</b> |
|         | BEP = FC/( Sales -Variable Cost) *100 |                         |              |

## 16. STATUTORY / GOVERNMENT APPROVALS

There are no specific approvals required to open a computer training centre. If we need to provide various certifications like Microsoft/Adobe and more, we need affiliation with these particular brands. Plus it is beneficial to register training centre under the section of copyrights class 41/42.

The essential production machinery and test equipment required for the project have been indicated. The unit may also utilize common test facilities available at Electronics Test and Development Centres (ETDCs) and Electronic Regional Test Laboratories (ERTLs) set up by the State Governments and STQC Directorate of the Department of Information Technology, Ministry of Communication and

Information Technology, to manufacture products conforming to Bureau of Indian Standards. Entrepreneur may contact State Pollution Control Board where ever it is applicable.

## **17. BACKWARD AND FORWARD INTEGRATIONS**

The maximum capacity utilization on single shift basis for 300 days a year during first year and 2<sup>nd</sup> year of operations is 60% and 80% respectively. The unit is expected to achieve full capacity utilization from the 3rd year onwards. The salaries and wages, cost of raw materials, utilities, rents, etc. are based on the prevailing rates in and around Cuttack. These cost factors are likely to vary with time and location. Interest on term loan and working capital loan has been taken at the rate of 16% on an average. This rate may vary depending upon the policy of the financial institutions/agencies from time to time. The cost of machinery and equipment refer to a particular make/model and prices are approximate. The break-even point percentage indicated is of full capacity utilization.

## **18. TRAINING CENTERS AND COURSES**

There are no specific courses, but tutors should be certified in specific software like Adobe Suit, Microsoft specialization, DTP software, Telly ERP and more plus Computer Science background is beneficial for students.

Udyamimitra portal ( link : [www.udyamimitra.in](http://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.

Source:- Udyami Mitra/Sidbi