

CYBER CAFÉ

1. INTRODUCTION

In today's world, everything is connected to Internet world. People need to use Internet and Computer for various activities such as browsing, emails, video conferencing, for use of various government applications, document/presentation preparation. Cyber café is such place where with prescribed fee, public can access to internet and computer services. Here, project profile is prepared for cyber café which provides facility of video calling and printing services.

2. SERVICE AND ITS APPLICATION

Cyber café where computers are loaded with basic software, web camera and high speed internet infrastructure can provide services related to Internet on hourly basis to public.

3. DESIRED QUALIFICATION FOR PROMOTER

There is no specific need in qualification for operating Cyber Café.

4. REQUIREMENTS – MATERIAL/EQUIPMENT AND MANPOWER

Resources

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

6. MANPOWER

1. Entrepreneur (Self)
2. Helper/Peon

Project Building

Setup of a computer 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

7. IMPLEMENTATION SCHEDULE

Finding a location and finalizing office for rent can take around 6-8 weeks. Procuring computers and Installation with furniture setup can take up to another 6 weeks. The whole business with well researched can be setup easily in 12-14 weeks.

8. FIXED CAPITAL INVESTMENT

Sr. No.	Description	Qty	Amount	Total
1	Computer System with Basic Software and Web Camera	20	₹ 25,000.00	₹ 5,00,000.00
2	Colour Printer with Scanner	1	₹ 15,000.00	₹ 15,000.00
3	UPS/Inverter	10	₹ 2,500.00	₹ 25,000.00
4	Air Conditioner	1	₹ 25,000.00	₹ 25,000.00
	Sub Total			₹ 5,65,000.00
5	Internet Infrastructure	1	₹ 5,000.00	₹ 5,000.00
6	Furniture	1	₹ 40,000.00	₹ 40,000.00
7	Electrification	1	₹ 22,600.00	₹ 22,600.00
	Total			₹ 6,32,600.00

9. WORKING CAPITAL (PER MONTH)

Sr. No.	Description	Total
1	Salary	₹ 18,000.00
1a	Entrepreneur	₹ 10,000.00
1b	Technical/Office Support	₹ 8,000.00
2	Raw Material	₹ 1,830.00
2a	Internet Connection Charges	₹ 700.00
2b	Paper Ream (500 Pages) (70 GSM)	₹ 780.00
2c	Ink cartridge refilling, Powder for toner refilling etc.	₹ 350.00
3	Utilities - Power	₹ 6,500.00
4	Other Expenses	₹ 3,500.00
4a	Advertising/Marketing/Social Media	₹ 150.00
4b	Stationery	₹ 350.00
4c	Telephone	₹ 500.00
4d	Repair and Maintenance	₹ 2,000.00
4e	Insurance	₹ 250.00
4f	Misc	₹ 250.00
5	Rent	₹ 10,000.00
	<u>Total</u>	<u>₹ 39,830.00</u>

10. COST OF PROJECT

Sr. No.	Particulars	Amount in Rs
1	Land	₹ 0.00
2	Building	₹ 0.00
3	Equipments/ Other fixed investment	₹ 6,32,600.00
4	Working Capital Margin (3 Months)	₹ 1,19,490.00
5	Total Cost of Project	₹ 7,52,090.00

11. MEANS OF FINANCE

Sr. No.	Description	%age	Amount (Rs)
1	Promoter's Contribution	25%	₹ 1,88,022.50
2	Term Loan/Bank Finance	75%	₹ 5,64,067.50
	Total		₹ 7,52,090.00

Cost of Operation

Sr. No.	Particulars	Amount in Rs
	<u>Variable Cost</u>	
1	Raw Material and Other direct inputs	₹ 5,330.00
2	Salary (60%)	₹ 10,800.00
3	Power (70%)	₹ 4,550.00
	Variable Cost 1 Month	₹ 20,680.00
	<i>Total Annual Variable Cost</i>	₹ 2,48,160.00
	<u>Fixed Cost</u>	
1	Overheads	₹ 10,000.00
2	Salary (40%)	₹ 7,200.00
3	Power (30%)	₹ 1,950.00
	<i>Sub Total</i>	₹ 19,150.00
	<i>Total for 12 Months</i>	₹ 2,29,800.00
4	Interest	₹ 67,688.10
5	Depreciation on Equipments @ 10%	₹ 51,500.00
6	Depreciation on Furniture @ 20 %	₹ 8,000.00
	<i>Total Fixed Cost</i>	₹ 3,56,988.10
	Total Cost of Production	₹ 6,05,148.10

Turnover

Sr. No.	Description	Unit Price	Unit	Qty per Day	Revenue per Day	Monthly Amount (25 Working Days)
1	Internet Browsing (20 PCs x 8 hours)	₹ 20	Hour	140	₹ 2,800.00	₹ 80,000.00
2	Printing Documents Colour	₹ 10	Pages	10	₹ 100.00	₹ 5,000.00
3	Printing Documents B/W	₹ 5	Pages	50	₹ 250.00	₹ 9,375.00
4	Scan	₹ 5	Pages	10	₹ 50.00	₹ 2,500.00
			Monthly Gross Income			₹ 96,875.00
	Total		Yearly Gross Income			₹ 11,62,500.00

12. PROFITABILITY CALCULATION

Net Profit (Turnover - Cost of Operation)	₹ 5,57,351.90
Net Profit Ratio (Net profit * 100/Turnover)	47.94%
Rate of Return (Net Profit * 100 / Total Cost of Project)	74.11%

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	₹ 3.49	₹ 4.65	₹ 5.81	₹ 6.98	₹ 8.14	₹ 11.63
3	Raw Materials & Other Direct Inputs	Rs Lakhs	₹ 0.74	₹ 0.99	₹ 1.24	₹ 1.49	₹ 1.74	₹ 2.48
4	Gross Margin	Rs Lakhs	₹ 2.74	₹ 3.66	₹ 4.57	₹ 5.49	₹ 6.40	₹ 9.14
5	Overheads Except Interest	Rs Lakhs	₹ 2.30	₹ 2.30	₹ 2.30	₹ 2.30	₹ 2.30	₹ 2.30
6	Interest	Rs Lakhs	₹ 0.68	₹ 0.68	₹ 0.68	₹ 0.68	₹ 0.68	₹ 0.68
7	Depreciation	Rs Lakhs	₹ 0.60	₹ 0.60	₹ 0.60	₹ 0.60	₹ 0.60	₹ 0.60
8	Net Profit Before Tax	Rs Lakhs	-₹ 0.83	₹ 0.09	₹ 1.00	₹ 1.92	₹ 2.83	₹ 5.57
			-23.71%	1.88%	17.24%	27.47%	34.78%	47.94%

13. BREAKEVEN ANALYSIS

Sr. No.	Particulars	UOM	Value
1	Sales at Full Capacity	Rs Lakhs	11.63
2	Variable Costs	Rs Lakhs	2.48
3	Fixed Cost incl. Interest	Rs Lakhs	3.57
4	Break Even Capacity $BEP = FC / (Sales - Variable Cost) * 100$	% of Installed Capacity	39.04