



COLLEGE

Introduction

A college is an educational institution or part of it. A college can be a graduate institution, be part of a corporation or university organization, a vocational institution, or a high school. globally, a college can be a high school or high school, a college of further education, a training centre that awards a business degree, a tertiary provider without a university status (usually without a degree), or a part of a university. The increasing number of higher education enrollments is one of the strongest factors in the acceptance of higher education tools and services in the regions. Factors such as the growing international student movement and government initiatives and funding are expected to create ample opportunities for higher education vendors. With the advent of globalization and the increasing number of students going to different countries for educational purposes, it is expected to create great opportunities for higher education providers. India holds a leading position in global education. India is also one of the largest networks of higher education institutions in the world. However, there is still a lot of potential for further development in the education system.

Market Potential

India has the largest population in the world in the age group of 5-24 with 500 million, which provides an excellent opportunity for the education sector. The education sector in India is estimated at US \$ 91.7 billion in fiscal year and is expected to reach US \$ 101.1 billion in fiscal year. The number of colleges in India has reached 39,931. The number of universities in India reached 967 in FY21 (as of December 2020). 37.4 million students are enrolled in higher education in the Indian financial year. The overall enrollment rate in higher education reached 26.3% in the financial year. In 2020-21, there were a total of 9,700 AICTE accredited companies. In total, there were 4,100 undergraduate, 4,951 postgraduate and 4,514 diploma courses in AICTE accredited institutions. According to the National Institutional Rankings Framework, major Indian technology companies have secured 7 places in the top 10 corporate rankings by 2020. The country has become the second largest market for e-learning after the United States. The sector is expected to reach \$ 1.96 billion by 2021 with approximately 9.5 million users. In India, the online education market is projected to reach \$ 11.6 billion by 2026.

China, India and South Korea are expected to have the highest number of students, according to a report released by the British Council. This huge traffic flow is expected to create enormous opportunities for higher education solution vendors as companies will have to manage this large amount of data, which will open up new revenue for higher education.

Cost of Project

Particulars	Amount (Rs.in Lakhs)
Own Land	-
Civil works and Buildings	1,364.88
Fixed Assets	483.49
Miscellaneous Fixed Assets	100.00
DG SET	4.40
Water motor	5.00
Escalation & Contingencies	97.64
Preliminary & Preoperative Expenses	124.46
Sub-total (A)	2,179.87
Working Capital Margin	181.00
Total Project Cost	2,360.87
Total Working Capital Requirement (B)	452.50
MEANS OF FINANCE	
Total Funds Required(A+B)	2,632.37
<u>Loan Component-</u>	-
Term Loan	1,392.91
Working Capital Loan	271.50
Total	1,664.41
Equity	967.96
Total	2,632.37

Detailed Cost Element

Sl. No.	Particulars	Quantity	Rate	Amount (Rs. in Lakhs)
1	Wooden Tables	3000	3,200.00	96.00
2	Wooden Chairs	3000	1,575.00	47.25
3	Benches	100	3,780.00	3.78
4	Cupboards	75	17,500.00	13.13
5	Furniture for classroom, admin block			5.25
6	Furniture for lab			10.50
7	Furniture for library			5.25
8	Air Conditioner	75	44,000.00	33.00
9	Water Filters	10	17,000.00	1.70
10	Computers	150	40,000.00	60.00
11	CCTV			10.50
12	Electric Appliances (Fan, Tubelight etc.)			5.00
13	Printer and Scanner	5	15,750.00	0.79
14	Books for library			10.50
15	Fire-fighting equipments			5.25
16	Class board	75	6,300.00	4.73
17	Smart classes	45	1,57,500.00	70.88
18	Lab Equipments			100.00
TOTAL				483.49

Contingencies and Escalations

It has been assumed at approximately 5% at cost.

Preliminary Expenses

Particulars	Amount (Rs.in Lakhs)
Incorporation Expenses	0.25
Project Report Preparation and Consultation	0.35
Feasibility and Engineer's/Architect's Report and Plans	34.12
Legal Charges - Drafting for agreements, contracts, stamp paper, notary and affidavit cost	0.10
Other recurring expenses of revenue nature up to start of commercial	11.34
Interest Cost for period before commercial production	78.29
Total	124.46

Salary

Designation	Manpower	Amount (Rs. In lakhs)
Principal	1	12.60
Professors	70	441.00
Manager/Dean	3	30.24
Lab assistant	10	25.20
Library incharge	3	9.45
Office Staff/ Administrator etc.	10	37.80
Sweeper	15	22.68
Security Guard	10	22.68

Note-

Wages/ Salaries are subject to change as per The Minimum Wages Act, 1948 and other statutes as may be applicable to the concerned place/state.

Profitability Statement

Particulars	Amount (Rs. in Lakhs)				
	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5
A. INCOME					
Total Capacity	900	900	900	900	900
Capacity utilization	80%	85%	90%	95%	100%
Capacity utilized	720	765	810	855	900
B.com College	576.00	612.00	648.00	684.00	720.00
Arts College	504.00	535.50	567.00	598.50	630.00
Science College	720.00	765.00	810.00	855.00	900.00
Other revenue (canteen, sale of books ,etc.)	10.00	10.50	11.03	11.58	12.16
Total Income during the year	1,810.00	1,923.00	2,036.03	2,149.08	2,262.16
B. OPERATING EXPENSES					
Salary	601.65	631.73	663.32	696.49	731.31
Expenses on various programmes, seminars, placements etc.	5.00	5.25	5.51	5.79	6.08
Repair and Maintenance	39.06	41.01	43.06	45.21	47.47
Power	36.20	36.92	37.66	38.42	39.18
Depreciation	155.22	155.22	155.22	105.46	105.46
Total Operating Expenses	837.12	870.13	904.77	891.36	929.50
Operating Profit (A-B)	972.88	1,052.87	1,131.25	1,257.71	1,332.65
C. FINANCIAL EXPENSES					
Interest on Term Loan	123.66	104.76	85.85	66.95	48.05
Interest on Working Capital Loan	28.51	30.29	32.07	33.85	35.63
D. OTHER EXPENSES					
Administrative and general Expenses	36.20	38.46	40.72	42.98	45.24
Total Expenses	188.37	173.51	158.64	143.78	128.92
Profit Before Tax	784.51	879.36	972.61	1,113.93	1,203.73
Provision for Income Tax	196.13	219.84	243.15	278.48	300.93
Profit after Tax (PAT)	588.38	659.52	729.46	835.45	902.80
Dividend Declared	-	-	-	-	-
Retained Profit	588.38	659.52	729.46	835.45	902.80

Breakeven Point

Break Even Point (BEP)				Amount (Rs. in Lakhs)		
Sl. No	Particulars	Year-1	Year-2	Year-3	Year-4	Year-5
A.	Net Sales	1,810.00	1,923.00	2,036.03	2,149.08	2,262.16
B.	Variable Cost					
	Power and Utility	36.20	36.92	37.66	38.42	39.18
	Total Variable Cost	36.20	36.92	37.66	38.42	39.18
C.	Contribution (A-B)	1,773.80	1,886.08	1,998.36	2,110.66	2,222.97
D.	Fixed and Semi-Fixed Cost					
	Expenses on various programmes, seminars, placements etc.	5.00	5.25	5.51	5.79	6.08
	Labour Charges	601.65	631.73	663.32	696.49	731.31
	Repair & Maintenance	39.06	41.01	43.06	45.21	47.47
	Interest on term Loan	123.66	104.76	85.85	66.95	48.05
	Interest on Working Capital loan	28.51	30.29	32.07	33.85	35.63
	Depreciation and Amortisation	155.22	155.22	155.22	105.46	105.46
	Total Fixed Cost	953.09	968.25	985.03	953.74	974.00
E.	Breakeven Point	54%	51%	49%	45%	44%
F.	Cash BEP	45%	43%	42%	40%	39%

Debt-Service Coverage Ratio

				Amount (Rs. in Lakhs)		
Sl. No.	Particulars	Year-1	Year-2	Year- 3	Year - 4	Year - 5
i	Profit After Tax	588.38	659.52	729.46	835.45	902.80
ii	Depreciation	155.22	155.22	155.22	105.46	105.46
iii	Interest	123.66	104.76	85.85	66.95	48.05
A	Total (i + ii + iii)	867.26	919.50	970.53	1,007.86	1,056.31
I	Interest	123.66	104.76	85.85	66.95	48.05
ii	Principal repayment	198.99	198.99	198.99	198.99	198.99
B	Total (i + ii)	322.65	303.75	284.84	265.94	247.03
	DSCR (A / B)	2.69	3.03	3.41	3.79	4.28

Interest on Term Loan and Principal Repayment

Refer Annexure I for loan repayment schedule.

We have assumed the repayment tenure of term loan for a period of 7 years, Rate of interest being 8.5% p.a. with the moratorium period of 12 months.

Address of Vendors

Name of the Vendor	Address and Contact Number
Sri Ram Manufacturing	D-2 / 15P, Industrial Area Fatuha Patna - 803201, Bihar, India Contact No.- 080 4603 3539
Rolex India Engineering Co.	19, Ground Floor, Hammersmith Industrial Estate Mahim West Mumbai - 400016, Maharashtra, India Contact No.- 080 4764 6901

ANNEXURE- I

Year	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annually
I													
Principal													
Opening	1,392.91	1,376.33	1,359.75	1,343.16	1,326.58	1,310.00	1,293.42	1,276.83	1,260.25	1,243.67	1,227.09	1,210.51	
Repaid	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	198.99
Closing	1,376.33	1,359.75	1,343.16	1,326.58	1,310.00	1,293.42	1,276.83	1,260.25	1,243.67	1,227.09	1,210.51	1,193.92	
Interest	11.03	10.90	10.76	10.63	10.50	10.37	10.24	10.11	9.98	9.85	9.71	9.58	123.66
II													
Principal													
Opening	1,193.92	1,177.34	1,160.76	1,144.18	1,127.59	1,111.01	1,094.43	1,077.85	1,061.27	1,044.68	1,028.10	1,011.52	
Repaid	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	198.99
Closing	1,177.34	1,160.76	1,144.18	1,127.59	1,111.01	1,094.43	1,077.85	1,061.27	1,044.68	1,028.10	1,011.52	994.94	
Interest	9.45	9.32	9.19	9.06	8.93	8.80	8.66	8.53	8.40	8.27	8.14	8.01	104.76
III													
Principal													
Opening	994.94	978.35	961.77	945.19	928.61	912.02	895.44	878.86	862.28	845.70	829.11	812.53	
Repaid	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	198.99
Closing	978.35	961.77	945.19	928.61	912.02	895.44	878.86	862.28	845.70	829.11	812.53	795.95	
Interest	7.88	7.75	7.61	7.48	7.35	7.22	7.09	6.96	6.83	6.70	6.56	6.43	85.85
IV													
Principal													
Opening	795.95	779.37	762.78	746.20	729.62	713.04	696.46	679.87	663.29	646.71	630.13	613.54	
Repaid	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	198.99
Closing	779.37	762.78	746.20	729.62	713.04	696.46	679.87	663.29	646.71	630.13	613.54	596.96	
Interest	6.30	6.17	6.04	5.91	5.78	5.64	5.51	5.38	5.25	5.12	4.99	4.86	66.95
V													
Principal													
Opening	596.96	580.38	563.80	547.21	530.63	514.05	497.47	480.89	464.30	447.72	431.14	414.56	
Repaid	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	198.99
Closing	580.38	563.80	547.21	530.63	514.05	497.47	480.89	464.30	447.72	431.14	414.56	397.97	
Interest	4.73	4.59	4.46	4.33	4.20	4.07	3.94	3.81	3.68	3.54	3.41	3.28	48.05
VI													
Principal													
Opening	397.97	381.39	364.81	348.23	331.65	315.06	298.48	281.90	265.32	248.73	232.15	215.57	
Repaid	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	198.99
Closing	381.39	364.81	348.23	331.65	315.06	298.48	281.90	265.32	248.73	232.15	215.57	198.99	
Interest	3.15	3.02	2.89	2.76	2.63	2.49	2.36	2.23	2.10	1.97	1.84	1.71	29.14
VII													
Principal													
Opening	198.99	182.40	165.82	149.24	132.66	116.08	99.49	82.91	66.33	49.75	33.16	16.58	
Repaid	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	16.58	198.99
Closing	182.40	165.82	149.24	132.66	116.08	99.49	82.91	66.33	49.75	33.16	16.58	-0.00	
Interest	1.58	1.44	1.31	1.18	1.05	0.92	0.79	0.66	0.53	0.39	0.26	0.13	10.24