



## **COMPUTER AND LAPTOP SERVICE CENTER**

### **Introduction**

Since the introduction of open market economy, popularity of computer and in recent time laptop has grown exponentially in india. This coupled with wide spread computer training has supported it to become a household item. Today a significant portion of indian urban population has one or more than one desktop or laptops at home. Given the size of country's population it creates quite a huge demand for computer and laptop servicing centres. Therefore, a business opportunity is created for anyone who wishes to start computer or laptop servicing and repairing business. The computer repair business can be started as a home business as well.

This project profile is for Mobile and Smartphone repairing service, based on 300 working days per annum and 8 working hours per day. The installed capacity of the unit per annum is as follows;

<b>Computer Repairing</b>	<b>-</b>	<b>300 Nos.</b>
<b>Laptop Repairing</b>	<b>-</b>	<b>600 Nos.</b>

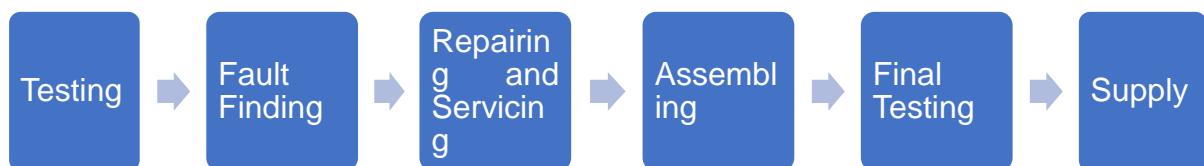
**The model DPR has been prepared on the basis of existing market rates.**

## Market Potential

The computer and laptop have become indispensable working tools for all individuals, small business, large corporations and cannot live without it. Moreover, most schools now have computer learning in their curriculum, which has prompted parents to buy computers at home. But this electronic items are not free from their functioning problems. Computer or laptop problems happen to everyone and they usually happen when one least expect them. From setup problems, to computer crashes, to software issues, to networking challenges, every household (and business) with a computer has the potential to need computer repair and maintenance help from someone who is knowledgeable about computers. When the computer or laptop is found to be out of order, the only option is to call for repairing service. With a little technical background and an expert understanding of computers, peripherals and software, a small business as a computer repair and maintenance service indicates tremendous market potential.

## Manufacturing Process

To start a computer repair business, one must possess computer skill and have knowledge of both software and hardware. The different system configurations and specifications should be known. He/she must be able to demonstrate computer skill to other especially the customer before they entrust their computer for repairing. In case you do not have enough computer skill, you will be destroying or spoiling other people's computer instead of repairing it. This will lead to damages and you be held responsible for the losses. If this happens in one or two case then you will be out of computer repair business. Hence, before starting your business you should be perfect in starting your computer repair business. The flow diagram of the normal repairing process is as follows:



## Cost of Project

Particulars	Amount (Rs.in Lakhs)
Land (owned)	
Civil works and Buildings (Annexure)	8.00
Equipments (Annexure)	1.80
DG SET (5 KVA)	1.00
Miscellaneous Fixed Assets (Annexure)	3.40
Escalation & Contingencies (5% on construction costs)	0.71
Preliminary & Preoperative Expenses	1.53
<b>Sub-total (A)</b>	<b>16.44</b>
Working Capital Margin @40% of Total WC Requirement	2.00
<b>Total Project Cost</b>	<b>18.44</b>
Total Working Capital Required (Lumpsum) (B)	5.00
<b>MEANS OF FINANCE</b>	
<b>Total funds required (A+B)</b>	<b>21.44</b>
Loan component-	
Term loan (60% of A)	9.86
Working capital (60% of B)	3.00
<b>TOTAL</b>	<b>12.86</b>
Equity	8.58
<b>TOTAL</b>	<b>21.44</b>

## Detailed Cost Element

Sl. No.	Particulars	Amount (Rs. in Lakhs)
1	Computer & Laptop Testing System (HDD, Motherboard, Processor, Printer, Keyboard, Mouse etc.)	0.30
2	Printer	1.00
3	Items like processor, motherboard, monitor, keyboard, Hard Disk, DVD writer, SMPS, RAM, Speakers and UPS etc.–For assembly of computers as per customer's specification	0.70
4	Accessories for networking and other spare hardware frequently used.	0.25
5	Tools & Accessories	0.60
6	Software & Drivers	0.20
	<b>Total</b>	<b>1.80</b>

## Contingencies and Escalations

It has been assumed at approximately 5% at cost.

## Preliminary Expenses

Particulars	Amount (Rs. in Lakhs)
Incorporation Expenses	0.15
Project Report Preparation and Consultation	0.35
Legal Charges - Drafting for agreements, contracts, stamp paper, notary and affidavit cost	0.10
Other recurring expenses of revenue nature upto start of commercial production - Security Guard & Others salary	0.70
Interest Cost for period before commercial production	0.23
<b>Total</b>	<b>1.53</b>

## Salary

Designation	Manpower	Amount (Rs. In lakhs)
Senior Technician	6	10.80
Workshop Support Staff	3	4.32
Manager	1	3.00

## Profitability Statement

	Amount (Rs. In lakhs)				
Particulars	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5
<b>A. INCOME</b>					
Total No.of Customer (at 100% capacity utilization) (Computer) Per Day 5 units	1500	1500	1500	1500	1500
Total No.of Customer (at 100% capacity utilization) (Laptop) Per Day 3 units	900	900	900	900	900
Capacity for the year	100%	100%	100%	100%	100%
Estimated customer in the year (Computer)	1500	1500	1500	1500	1500
Estimated customer in the year (Laptop)	900	900	900	900	900
Estimated Revenue (Computer) (Rate Rs 1300 per unit)	19.50	20.48	21.50	22.57	23.70
Estimated Revenue (Laptop ) (Rate Rs 1000 per unit)	9.00	9.45	9.92	10.42	10.94
<b>TOTAL INCOME</b>	<b>28.50</b>	<b>29.93</b>	<b>31.42</b>	<b>32.99</b>	<b>34.64</b>
<b>B. OPERATING EXPENSE</b>					
Salary	18.12	19.03	19.98	20.98	22.02
Repair & Maintenance	0.43	0.45	0.47	0.49	0.52
Power & Utility	0.86	0.91	0.95	1.00	1.05
Depreciation & Amortisation	1.67	1.67	1.67	0.98	0.98
<b>Total Operating Expenses</b>	<b>21.08</b>	<b>22.05</b>	<b>23.07</b>	<b>23.46</b>	<b>24.58</b>
<b>OPERATING PROFIT (A-B)</b>	<b>7.42</b>	<b>7.88</b>	<b>8.35</b>	<b>9.54</b>	<b>10.06</b>
<b>C. FINANCIAL EXPENSES</b>					
Interest on Term Loan	0.81	0.70	0.58	0.46	0.33
Interest on WC Loan	0.26	0.26	0.26	0.26	0.26
<b>D. OTHER EXPENSES</b>					
Administration and general expenses	0.39	0.41	0.43	0.45	0.47
<b>Total Expenses</b>	<b>1.45</b>	<b>1.36</b>	<b>1.26</b>	<b>1.17</b>	<b>1.06</b>
<b>Profit before Tax</b>	<b>5.97</b>	<b>6.51</b>	<b>7.09</b>	<b>8.37</b>	<b>9.00</b>
Provision For Tax @ 25%	1.49	1.63	1.77	2.09	2.25
<b>Profit After Tax</b>	<b>4.48</b>	<b>4.88</b>	<b>5.32</b>	<b>6.28</b>	<b>6.75</b>
Dividend Declared	0.00	0.00	0.00	0.00	0.00
<b>PROFIT</b>	<b>4.48</b>	<b>4.88</b>	<b>5.32</b>	<b>6.28</b>	<b>6.75</b>

## Breakeven Point

Amount (Rs. In Lakhs)						
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
A.	Net Sales	28.50	29.93	31.42	32.99	34.64
B.	Variable Cost					
	Power and Utility	0.86	0.91	0.95	1.00	1.05
	Total Variable Cost	0.86	0.91	0.95	1.00	1.05
C.	Contribution (A-B)	27.64	29.02	30.47	31.99	33.59
D.	Fixed and Semi-Fixed Cost					
	Salary	18.12	19.03	19.98	20.98	22.02
	Repair & Maintenance	0.43	0.45	0.47	0.49	0.52
	Interest on term Loan	0.81	0.70	0.58	0.46	0.33
	Interest on WC Loan	0.26	0.26	0.26	0.26	0.26
	Depreciation & Amortisation	1.67	1.67	1.67	0.98	0.98
	Total Fixed Cost	21.28	22.09	22.95	23.17	24.11
E.	Breakeven Point	77%	76%	75%	72%	72%
F.	Cash BEP	71%	70%	70%	69%	69%

## Debt-Service Coverage Ratio

Amount (Rs. In Lakhs)						
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
i	Profit	4.48	4.88	5.32	6.28	6.75
ii	Depreciation	1.67	1.67	1.67	0.98	0.98
iii	Interest	0.81	0.70	0.58	0.46	0.33
A	Total (i + ii + iii)	6.95	7.25	7.56	7.72	8.07
i	Interest	0.81	0.70	0.58	0.46	0.33
ii	Principal repayment	1.41	1.41	1.41	1.41	1.41
B	Total (i + ii)	2.22	2.11	1.99	1.87	1.74
	DSCR (A / B )	3.13	3.44	3.80	4.13	4.64

## 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 8 months.

## Address of Vendors

Name of Vendor	Address and Contact Number
Bhajanlal Commercial Pvt. Ltd.	42a, Shakespeare Sarani Rd, Mullick Bazar, Elgin, Kolkata, West Bengal 70001 Phone: 9804044444
Rajguru Solutions Pvt. Ltd.	112, Datt Jagdamba Mandir Marg.New India centre,, Aghadi Nagar, Paper Box, Andheri East, Mumbai, Maharashtra 400093 Phone: 2249110000

# 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
<b>I</b>													
<b>Principal</b>													
Opening	9.86	9.82	9.77	9.72	9.67	9.62	9.57	9.46	9.34	9.22	9.10	8.99	
Repaid	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	1.41
Closing	9.82	9.77	9.72	9.67	9.62	9.57	9.46	9.34	9.22	9.10	8.99	8.87	
<b>Interest</b>	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.06	0.06	0.81
<b>II</b>													
<b>Principal</b>													
Opening	8.87	8.75	8.63	8.52	8.40	8.28	8.16	8.05	7.93	7.81	7.69	7.58	
Repaid	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	1.41
Closing	8.75	8.63	8.52	8.40	8.28	8.16	8.05	7.93	7.81	7.69	7.58	7.46	
<b>Interest</b>	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.05	0.05	0.70
<b>III</b>													
<b>Principal</b>													
Opening	7.46	7.34	7.22	7.11	6.99	6.87	6.76	6.64	6.52	6.40	6.29	6.17	
Repaid	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	1.41
Closing	7.34	7.22	7.11	6.99	6.87	6.76	6.64	6.52	6.40	6.29	6.17	6.05	
<b>Interest</b>	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.04	0.04	0.58
<b>IV</b>													
<b>Principal</b>													
Opening	6.05	5.93	5.82	5.70	5.58	5.46	5.35	5.23	5.11	4.99	4.88	4.76	
Repaid	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	1.41
Closing	5.93	5.82	5.70	5.58	5.46	5.35	5.23	5.11	4.99	4.88	4.76	4.64	
<b>Interest</b>	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.03	0.03	0.46
<b>V</b>													
<b>Principal</b>													
Opening	4.64	4.52	4.41	4.29	4.17	4.05	3.94	3.82	3.70	3.58	3.47	3.35	
Repaid	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	1.41
Closing	4.52	4.41	4.29	4.17	4.05	3.94	3.82	3.70	3.58	3.47	3.35	3.23	
<b>Interest</b>	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.33
<b>VI</b>													
<b>Principal</b>													
Opening	3.23	3.11	3.00	2.88	2.76	2.65	2.53	2.41	2.29	2.18	2.06	1.94	
Repaid	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	1.41
Closing	3.11	3.00	2.88	2.76	2.65	2.53	2.41	2.29	2.18	2.06	1.94	1.82	
<b>Interest</b>	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.22
<b>VII</b>													
<b>Principal</b>													
Opening	1.82	1.71	1.59	1.47	1.35	1.24	1.12	1.00	0.88	0.77	0.65	-	
Repaid	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.65		
Closing	1.71	1.59	1.47	1.35	1.24	1.12	1.00	0.88	0.77	0.65	-	-	
<b>Interest</b>	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.10