

**PROJECT REPORT
ON
COMPUTER ASSEMBLING**

**UNDER
PMEGP**

**SUBMITTED
TO
UNION BANK OF INDIA
PAKALA BRANCH, PAKALA**

**SUBMITTED
BY
PROP : Sri A.Yugandhar
#D.No. 15-244, Park Street, Pakala
Tirupati Dist, Andhra
Pradesh**

PROJECT AT A GLANCE

1	Name of the Unit	A.YUGANDHAR(SVIIT COMPUTERS)	
2	Line of Activity	Computer Assembling	
3	Products	Computer	
4	New/Expansion/Modernization	Expansion	
5	Constitution	Proprietorship	
6	Name of the Proprietor	A.Yugandhar	
7	Registered Address	D.No. 15-244, Park Street, Pakala Village, Post and Mandal Tirupati Andhra Pradesh Pin- 517112	
8	Site Location	D.No. 15-244, Park Street, Pakala Village, Post and Mandal Tirupati Andhra Pradesh Pin- 517112	
9	Cost of the Project		15,00,000.00
10	Facilities Required		
11	Promoters Contribution		1,50,000.00
12	Loan From Bank		13,50,000.00
13	Moratorium	6 Months	
14	Power	NA	
15	BEP	69.46%	
16	Average DSCR	1.73	
17	Man power	8	

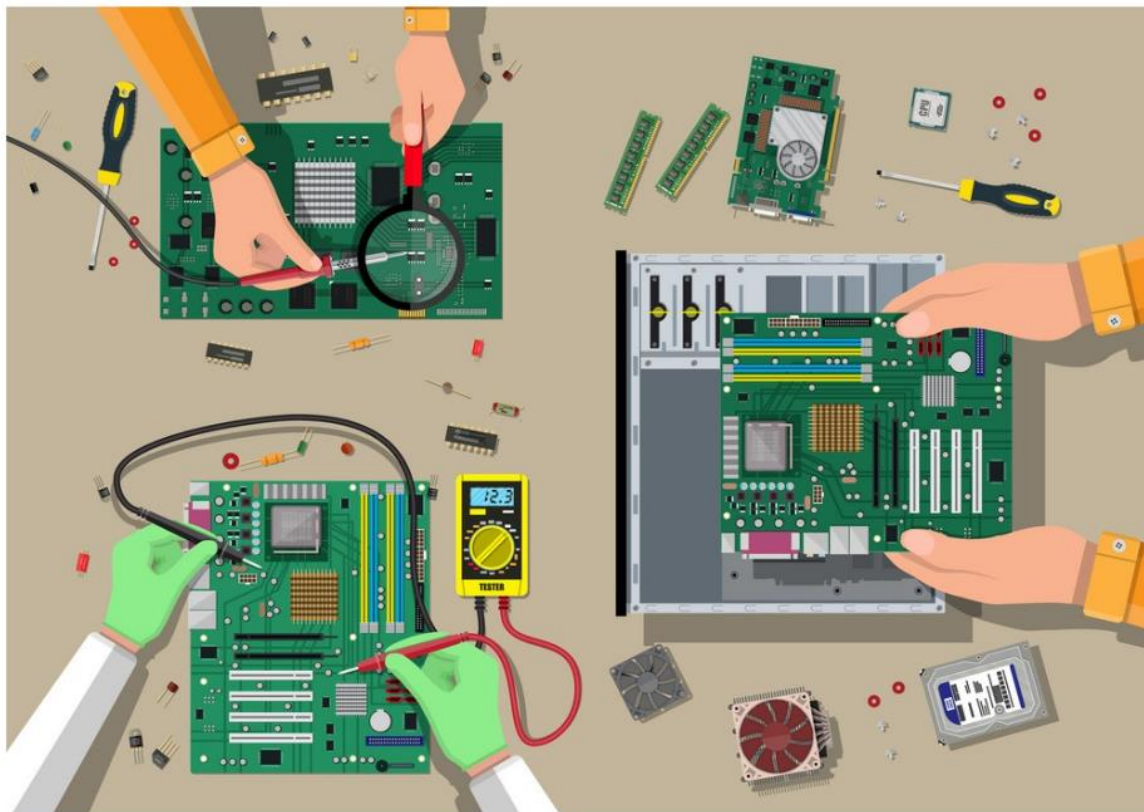
PROJECT PROFILE ON PERSONNEL COMPUTERS ASSEMBLING

INTRODUCTION :-

Computers have changed the complete scenario of education, research, business and even industrial production in last two decades. Invention of personnel computers (PC) has brought about a complete revolution in every filed. The cost of personnel computers is coming down day by day.

The reduction of prices of the computer has brought them within the purchasing power of middle class people. Govt. of India is also patronizing the computer usage and IT is the fastest upcoming industry today. As per the for cost of Manufacturers Association for IT estimated global average compound annual growth rates increasing speedily.

Personal Computers are widely used these days in office automation in Business / trade, Industries, Banks, Insurance Establishments, Hospitals, Hotels, Railway, Airlines and Transport services etc. Personal Computer hardware consists of CPU, Memory, Direct memory access, Peripheral controllers and interfaces, Floppy disk drives and Hard disk drives. The peripherals consists of Keyboard, CRT Monitor, Printer, Modem and Mouse etc., and connected to the main PC through cables and interfaces. Switched Mode Power Supply (SMPS) are used to power the personal computer for different de voltage: + 5V,-V, + 12V and -12V. The SMPS is housed in the PC cabinet. The CRT Monitor and Printer have their own power supply units.



MARKET POTENTIAL:

The market for personal computer is expanding day by day due to rapid computerization of offices for accounts, inventory, sales, correspondence and communication etc. in business/trade, industry, banks, insurance establishments, hotels, tourism sector, hospitals etc., and also due to rapid computerization of reservations in railways, air-lines and other transport services. The demand for personal computer (PCs) continues to grow and will continue to account for a large share of the total computer and peripherals spending in India. Over 200 small, medium and large firms manufacture computer in India. The small manufacturers have to face tough competition from multinationals in terms of price, quality supply schedules and after sales services.

BASIS AND PRESUMPTIONS:

- i) The basis for calculation of production capacity has been taken on single shift basis on 75% efficiency.
- ii) The maximum capacity utilization on single shift basis for 300 days a year. During first year and second year of operations the capacity utilization is 60% and 80% respectively. The unit is expected to achieve full capacity utilization from the third year onwards.
- iii) The salaries & wages cost of raw materials, utilities, cost of land and rents etc. are based on the prevailing rates in and around Jaipur(Raj.) in 2022-23. These cost factors are likely to vary with time and with location.
- iv) The interest on term loan and working capital-loan has been taken at the rate of 16% on an average, prevailing in 2022-23. This rate may vary depending upon the policy of the Financial Institutions/Agencies from time to time.
- v) The cost of machinery and equipment's refer to a particular make/model and the prices are approximate prices prevailing in 2002-23.(103)
- vi) The breakeven point percentage indicated is of full capacity utilization. vii) The project preparation cost etc., whenever required could be considered under pre-operative expenses.
- vii) 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 & Development Centre's (ETDCs) and Electronic Regional Test Laboratories (ERTLs) set up by the State Govt. and STQC Dte. Of the Deptt. of Electronics to manufacture products conforming to BIS Standards.

TECHNICAL ASPECTS:

Process of Collection :- The Collection of personal computer involves the assembly of Electronics and Electromechanical sub-assemblies, peripherals and integrating them into a compact(104) unit. As per the design the motherboard, VGA card (Display card) are procured/ assembled depending upon the volume of production. The other sub-assemblies Hard disk drives, floppy disk drive, cabinet with SMPS are procured from out side along with the peripherals i.e. Monitor (colour) Computer Key board, mouse etc. The mother-board along with other subassemblies are mounted in the cabinet and the interconnection done. The completed assembly i.e. compact unit is tested for various performance parameters by the help of dedicated software. The tested units are then packed well in cardboard packing cases to withstand shock and vibration during transportation and handling. Quality Control

and Standards. Intel I3, i5, i7 Processor (3 GHZ) 800 MHZ FSB, 128 MB - DDR RAM Hard Disk Drive 80 GB Key Board (111 Key) 19" Colour Monitor 52 x CD ROM Internal Modem - 56 Kbps Production Capacity Quantity Value 600 Nos. 138 Lacs. Motive Power 5KVA Pollution Control: i) The Govt. accords utmost importance to control environmental pollution, The small scale entrepreneurs should have an environmental friendly attitude and adopt pollution abatement measures by process modification and technology substitution. Awareness among the staff members of the industrial undertaking should also be created for abatement of pollution. ii) India having acceded to the Montreal Protocol in Sept., 1992, it has become mandatory for India to phase out the production and use of Ozone Depleting Substances (ODS) like Chlorofluoro Carbon (CFCs), Carbon Tetrachloride, Halons and Methyl Chloroform etc. These chemicals / solvents and to be phased out immediately with alternative chemicals / solvents. From phase out angle, we may have ten years to go, but from commercial angle immediate phase out is of utmost importance.(105) Energy Conservation: With the growing energy needs and shortage coupled with rising energy cost a greater thrust in energy efficiency in industrial sector has been given by the Govt. of India since 1980s. The Energy Conservation Act, 2001 has been enacted on 18th August, 2001, which provides for efficient use of energy, its conservation and capacity building of Bureau of Energy Efficiency created under the Act. The following steps may help for

CONSERVATION OF ELECTRICAL ENERGY :

- i) Adoption of energy conserving technologies, production aids and testing facilities.
- ii) Efficient management of process/manufacturing machineries and systems, QC and testing equipment's for yielding maximum Energy Conservation.
- iii) Optimum use of electrical energy for heating during soldering process can be obtained by using efficient temperature controlled soldering and disordering stations.
- iv) Periodical maintenance of motors, compressors etc. v) Use of power factor correction capacitors. Proper selection and layout of lighting system; timely switching. on-off of the lights; use of compact fluorescent lamps wherever possible etc

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LOAN REPAYMENT SCHEDULE(TERM LOAN AND WORKING CAPITAL LOAN)

TERM LOAN AMOUNT			Rs. 10,00,000		
WORKING CAPITAL LOAN AMOUNT			Rs. 5,00,000		
Term & Working Capital loan Amount			Rs. 15,00,000		
Rate of Interest			14% per annum		
Repayment Period			7 Years		
Period	Principle outstanding Rs.	Quarterly Interest Rs.	Annual Interest Rs.	Principle Repayment Rs.	Total Balalnce OS Rs.
<u>Year 1</u>	15,00,000				
1st Quarter		52,500			
2nd Quarter		52,500			
3rd Quarter		52,500			
4th Quarter		<u>52,500</u>	2,10,000	2,14,285	12,85,715
<u>Year 2</u>	12,85,715				
1st Quarter		45,000			
2nd Quarter		45,000			
3rd Quarter		45,000			
4th Quarter		<u>45,000</u>	1,80,000	2,14,285	10,71,430
<u>Year 3</u>	10,71,430				
1st Quarter		37,500			
2nd Quarter		37,500			
3rd Quarter		37,500			
4th Quarter		<u>37,500</u>	1,50,000	2,14,285	8,57,145
<u>Year 4</u>	8,57,145				
1st Quarter		30,000			
2nd Quarter		30,000			
3rd Quarter		30,000			
4th Quarter		<u>30,000</u>	1,20,000	2,14,285	6,42,860
<u>Year 5</u>	6,42,860				
1st Quarter		22,500			
2nd Quarter		22,500			
3rd Quarter		22,500			
4th Quarter		22,500	90,000	2,14,285	4,28,575
<u>Year 6</u>	4,28,575				
1st Quarter		15,000			
2nd Quarter		15,000			
3rd Quarter		15,000			
4th Quarter		15,000	60,001	2,14,285	2,14,290
<u>Year 7</u>	2,14,290				
1st Quarter		7,500			
2nd Quarter		7,500			
3rd Quarter		7,500			
4th Quarter		7,500	30,001	2,14,285	5

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COST OF THE PROJECT

Particulars	Amount (Rs.)
Renovation/alteration Work shop	1,00,000.00
Cathode ray oscilloscope, Digital multimeter, Mother board, scanners, hard disk,Software packages, Other hand tools etc. (Equipments)	10,25,000.00
SMPS, Dvd writers, IC, Capaciters and etc	2,40,000.00
Computer assembling Equipments	35,000.00
Interiors works ,Furniture & Fittings	1,00,000.00
Total	15,00,000.00

MEANCE OF FINANCE

Term Loan From Union Bank of India(Andhra Bank) - Pakala Branch	9,00,000.00
Working Capital Loan From Union Bank of India(Andhra Bank) - Pakala Branch	4,50,000.00
Promoter's Contribution	1,50,000.00
	15,00,000.00

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Particulars	Amount in Rs.						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Operating Capacity	70%	80%	90%	90%	90%	90%	90%
1 Gross sales							
(I) Gross Receipts	20,00,000	24,85,571	27,96,143	27,96,143	27,96,143	27,96,143	27,96,143
2 Less : Excise Duty							
3 Net sales (item1 - item 2)	20,00,000	24,85,571	27,96,143	27,96,143	27,96,143	27,96,143	27,96,143
4 % age Rise (+) or fall (-) in net sales as compared to previous year							
5 Cost of sales							
i) Raw materials-Indigenous and other items used in the	15,05,000	13,81,835	15,24,483	15,29,483	14,99,483	15,04,483	15,04,483
ii) Power and Fuel	30,000	37,284	31,942	31,942	31,942	31,942	31,942
iii) Direct Labour(Factory wages & salary) 8 members	4,30,000	5,34,398	6,01,171	6,01,171	6,01,171	6,01,171	6,01,171
iv) Other mfg.expenses	75,000	93,209	1,04,855	1,04,855	1,04,855	1,04,855	1,04,855
v) Depreciation	45,250	39,713	34,881	30,661	26,974	23,747	20,923
vi) Sub- Total (i to v)	20,85,250	20,86,439	22,97,332	22,98,112	22,64,425	22,66,198	22,63,374
vii) Add : Opening stocks in	-	3,13,542	2,87,882	2,54,081	2,54,914	2,49,914	2,50,747
Sub-total	20,85,250	23,99,980	25,85,215	25,52,193	25,19,339	25,16,112	25,14,121
viii) Deduct : Closing stocks -in -	3,13,542	2,87,882	2,54,081	2,54,914	2,49,914	2,50,747	2,50,747
ix) Cost of production	17,71,708	21,12,098	23,31,134	22,97,279	22,69,425	22,65,365	22,63,374
x) Add : Opening stock of finished goods	-	1,25,417	1,15,153	1,27,040	1,27,457	1,24,957	1,25,374
Sub - total	17,71,708	22,37,515	24,46,287	24,24,319	23,96,882	23,90,322	23,88,748
xi) Deduct : Closing stock of finished goods	1,25,417	1,15,153	1,27,040	1,27,457	1,24,957	1,25,374	1,25,374
xii) Sub total (Total cost of sales)	16,46,292	21,22,362	23,19,247	22,96,862	22,71,925	22,64,948	22,63,374
6 Gross Profit on Sales	3,53,708	3,63,210	4,76,896	4,99,280	5,24,217	5,31,194	5,32,768
Gross Profit Ratio (% age)	18	15	17	18	19	19	19

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Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Operating Capacity	70%	80%	90%	90%	60%	60%	60%
<i>Gross Profit</i>	<i>3,53,708</i>	<i>3,63,210</i>	<i>4,76,896</i>	<i>4,99,280</i>	<i>5,24,217</i>	<i>5,31,194</i>	<i>5,32,768</i>
7 Selling, general and administrative	70,000	86,995	97,865	97,865	97,865	97,865	97,865
8 Operating Profit before interest (6-7)	2,83,708	2,76,215	3,79,031	4,01,415	4,26,352	4,33,329	4,34,903
9 Interest on Term Loan	2,10,000	1,80,000	1,50,000	1,20,000	90,000	2,14,285	4,28,575
10 Interest on Working Capital	-	-	-	-	-	-	-
11 Operating Profit after interest (8-9)	73,708	96,215	2,29,031	2,81,415	3,36,352	2,19,044	6,328
12 i) Add: Other non operating income							
ii) Deduct: Other non operating expenses							
a Preliminary Exp. Written off	-	-	-	-	-	-	-
iii) Net of other non-operating income/ expenses(net of 11(i) & 11(ii))	-	-	-	-	-	-	-
13 Profit before tax/ loss [10 + 11(iii)]	73,708	96,215	2,29,031	2,81,415	3,36,352	2,19,044	6,328
14 Provision for taxes	14,726	19,227	45,790	56,267	67,254	43,793	1,250
15 Net Profit/Loss (12-13)	58,983	76,988	1,83,241	2,25,148	2,69,098	1,75,252	5,079
16 Drawings /Proprietor Salary	60,000	65,000	1,10,000	1,25,000	1,50,000	1,20,000	62,000
17 Retained profit (14-15)	(1,017)	11,988	73,241	1,00,148	1,19,098	55,252	(56,921)
18 Retained profit/Net Profit (% age)	(2)	16	40	44	44	32	(1,121)

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Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<u>LIABILITIES</u>							
<u>CAPITAL</u>							
Capital / Reserves & Surpluses	1,50,000	1,48,983	1,60,970	2,34,211	3,34,359	4,53,457	5,08,708
Add: Retained Earnings	(1,017)	11,988	73,241	1,00,148	1,19,098	55,252	(56,921)
	1,48,983	1,60,970	2,34,211	3,34,359	4,53,457	5,08,708	4,51,787
<u>Term Liabilities</u>							
Term Loan	12,85,715	10,71,430	8,57,145	6,42,860	4,28,575	2,14,290	-
<u>Current Liabilities</u>							
Working Capital Loan	-	-	-	-	-	-	-
Sundry Creditors	50,000	25,000	50,000	75,000	85,000	1,00,000	1,15,000
Total Liabilities	14,84,698	12,57,400	11,41,356	10,52,219	9,67,032	8,22,998	5,66,787
<u>ASSETS</u>							
<u>FIXED ASSETS</u>							
Gross Block	3,85,000	3,39,750	3,00,037	2,65,156	2,34,495	2,07,521	1,83,774
Less: Depreciation to the date	45,250	39,713	34,881	30,661	26,974	23,747	20,923
Net Block	3,39,750	3,00,037	2,65,156	2,34,495	2,07,521	1,83,774	1,62,851
<u>CURRENT ASSETS</u>							
Closing Stock of Raw Materials	3,13,542	2,87,882	2,54,081	2,54,914	2,49,914	2,50,747	2,50,747
Closing Stock of Finished Goods	1,25,417	1,15,153	1,27,040	1,27,457	1,24,957	1,25,374	1,25,374
Sundry Debtors	12,500	50,000	1,00,000	1,75,000	2,00,000	2,00,000	2,00,000
Advances to Suppliers	75,000	1,00,000	1,25,000	1,50,000	1,50,000	1,50,000	1,50,000
Cash and Bank Balance	2,55,917	1,61,184	1,38,363	82,066	1,01,780	1,08,814	59,246
	7,82,375	7,14,219	7,44,484	7,89,437	8,26,651	8,34,935	7,85,367
<u>OTHER NON-CURRENT ASSETS</u>							
Preliminary Expenses	-	-	-	-	-	-	-
Deposits /Investments	2,00,000	2,00,000	2,00,000	2,00,000	2,00,000	2,00,000	2,00,000
	2,00,000	2,00,000	2,00,000	2,00,000	2,00,000	2,00,000	2,00,000
Total Assets	13,22,125	12,14,256	12,09,640	12,23,932	12,34,172	12,18,709	11,48,218

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DEBT SERVICE COVERAGE RATIO

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Net Profit after Tax	58,983	76,988	1,83,241	2,25,148	2,69,098	1,75,252	5,079
Depreciation	45,250	39,713	34,881	30,661	26,974	23,747	20,923
Preliminary Expenses Written off	-	-	-	-	-	-	-
Interest on Term Loan	2,10,000	1,80,000	1,50,000	1,20,000	90,000	2,14,285	4,28,575
Total Fund Available (A)	3,14,233	2,96,701	3,68,122	3,75,809	3,86,072	4,13,284	4,54,577
Interest on Term Loan	2,10,000	1,80,000	1,50,000	1,20,000	90,000	60,001	30,001
Loan Principle Repayment	2,14,285	2,14,285	2,14,285	2,14,285	2,14,285	2,14,285	2,14,285
Amount to be Served (B)	4,24,285	3,94,285	3,64,285	3,34,285	3,04,285	2,74,286	2,44,286
DSCR = (A)/(B)	0.74	0.75	1.01	1.12	1.27	1.51	1.86
	1.18						

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INCREASE IN CURRENT ASSETS (Other than Cash and Bank)

Particulars	Amounts in : Thousands				
	Year 1	Year 2	Year 3	Year 4	Year 5
Closing Stock of Raw Materials	3,13,542	2,87,882	2,54,081	2,54,914	2,49,914
Closing Stock of Finished Goods	1,25,417	1,15,153	1,27,040	1,27,457	1,24,957
Sundry Debtors	12,500	50,000	1,00,000	1,75,000	2,00,000
Advances to Suppliers	75,000	1,00,000	1,25,000	1,50,000	1,50,000
Total Current Assets	5,26,458	5,53,035	6,06,121	7,07,371	7,24,871
Net Increase in Current Assess	5,26,458	26,577	53,085	1,01,250	17,500

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PROJECTED WORKING CAPITAL STATEMENT

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Closing Stock of Raw Materials	3,13,542	2,87,882	2,54,081	2,54,914	2,49,914
Closing Stock of Finished Goods	1,25,417	1,15,153	1,27,040	1,27,457	1,24,957
Sundry Debtors	12,500	50,000	1,00,000	1,75,000	2,00,000
Advances to Suppliers	75,000	1,00,000	1,25,000	1,50,000	1,50,000
Total Current Assets	5,26,458	5,53,035	6,06,121	7,07,371	7,24,871
Current Liabilities	-	-	-	-	-
Net Current Assets	5,26,458	5,53,035	6,06,121	7,07,371	7,24,871
Working Capital Term Loan	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000

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Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	20,00,000	24,85,571	27,96,143	27,96,143	27,96,143
Gross Profit	3,53,708	3,63,210	4,76,896	4,99,280	5,24,217
Operating Profit	2,83,708	2,76,215	3,79,031	4,01,415	4,26,352
Net Profit Before Tax	73,708	96,215	2,29,031	2,81,415	3,36,352
Net Profit After Tax	58,983	76,988	1,83,241	2,25,148	2,69,098
Long Term Funds (Capital + Term Capital/Reserves/Retained Funds)	14,84,698	12,57,400	11,41,356	10,52,219	9,67,032
Total Funds Available	3,14,233	2,96,701	3,68,122	3,75,809	3,86,072
Total Debt to be Served	4,24,285	3,94,285	3,64,285	3,34,285	3,04,285
Proprietors Funds	1,48,983	1,60,970	2,34,211	3,34,359	4,53,457
Term Loans	12,85,715	10,71,430	8,57,145	6,42,860	4,28,575
Gross Profit Ratio	17.69	14.61	17.06	17.86	18.75
Net Profit Ratio (Before Tax)	3.69	3.87	8.19	10.06	12.03
Net Profit Ratio (After Tax)	2.95	3.10	6.55	8.05	9.62
Operating Net Profit Ratio	14.19	11.11	13.56	14.36	15.25
Operating Profit to Long Term Funds	19.11	21.97	33.21	38.15	44.09
Net Profit to Capital					
Debt Service Coverage Ratio	0.74	0.75	1.01	1.12	1.27
Net worth/Total Assets (% of Capital in Total Assets)	10.03	12.80	20.52	31.78	46.89
Debt equity Ratio (Debt/ Equity)	8.63	6.66	3.66	1.92	0.95

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PROJECTED DEPRECIATION STATEMENT

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<u>Computers & Printer @ 15%</u>							
Opening Balance	1,00,000	85,000.00	72,250.00	61,412.00	52,200.00	44,370.00	37,714.00
Depreciation	15,000.00	12,750.00	10,838.00	9,212.00	7,830.00	6,656.00	5,657.00
Closing Balance	85,000.00	72,250.00	61,412.00	52,200.00	44,370.00	37,714.00	32,057.00
<u>Equipments @ 15%</u>							
Opening Balance	35,000.00	29,750.00	25,287.00	21,494.00	18,270.00	15,529.00	13,200.00
Depreciation	5,250.00	4,463.00	3,793.00	3,224.00	2,741.00	2,329.00	1,980.00
Closing Balance	29,750.00	25,287.00	21,494.00	18,270.00	15,529.00	13,200.00	11,220.00
<u>Interiors works ,Furniture and Fittings @ 10%</u>							
Opening Balance	2,50,000.00	2,25,000.00	2,02,500.00	1,82,250.00	1,64,025.00	1,47,622.00	1,32,860.00
Depreciation	25,000.00	22,500.00	20,250.00	18,225.00	16,403.00	14,762.00	13,286.00
Closing Balance	2,25,000.00	2,02,500.00	1,82,250.00	1,64,025.00	1,47,622.00	1,32,860.00	1,19,574.00
Total Depreciation	45,250	39,713	34,881	30,661	26,974	23,747	20,923
Total Fixed Assets	3,39,750	3,00,037	2,65,156	2,34,495	2,07,521	1,83,774	1,62,851