

PROJECT REPORT FOR
MOBILE SHOP (EXPANSION)



PREPARED FOR

ROMOTOR

XXXXXXXXXXXXXXXXXXXXXXXXXX

PROJECT LOCATION

XXXXXXXXXXXXXXXXXXXXXXXXXX

PREPARED BY:

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1 187/67, GROUND FLOOR, GRUHALAXMI, J.M. ROAD, NEAR
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PUNE, MAHARASHTRA 41 1005.

C O N T E N T

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I. EXECUTIVE SUMMARY

1.1 Introduction:

Mobile Phone is an electronic device used for communication and messaging. Now days this has become very popular and essential need of the society. These are available in various make and brands in the market. Therefore repairing and servicing of mobile phones are also required to be done. This has got a prospective market.

1.2 About The Firm & Promoter

1. Name of Promoter : Shri. ChannaveerappaVeerappaNeeralagi

2. About The Firm:

i. Name- xxxxxxxxxxxxxxxxx

ii. Address: xxxxxxxxxxxxxxxxx

3. Pan Card NO : xxxxxxxxxxxxxxxxx

4. Adhar Card NO : xxxxxxxxxxxxxxxxx

5. Contact Details : xxxxxxxxxxxxxxxxx

6. Date of Birth: xxxxxxxxxxxxxxxxx

7. Type of Constitution: xxxxxxxxxxxxx

1.3 Project at a glance

1. Proposed Project to be Set-Up: Expansion of Mobile Phone Sales & Services Centre
2. Product & Services : Sale of Mobiles, Accessories and Repairing services
3. Employment Potential : 1 Persons
4. Total Project Cost
 - a. Shop : Existing
 - b. Equipment : Rs. 0.60lacs
 - c. Furniture & Electrical Installation : Rs. 0.40lacs
 - d. Working Capital : Rs. 1.00lacs

Total : Rs. 2.00lacs
5. Means of Financing of Project
 - a. Own Contribution (25%) : Rs. 0.50lacs
 - b. T L Facility from Bank (75%) : Rs. 0.75lacs
 - c. C C Facility from Bank (75%) : Rs. 0.75lacs
6. Employment Potential : 1 nos.
7. Repayment : 60 monthly installments, EMI @ 0.02 Lakhs
8. Rate of Interest : 9.00% Per Annum
9. Nature of the Firm : Proprietary Firm
10. Debt-service Ratio : 3.74

II. MARKET POTENTIAL

Sales, Repairing and Servicing of mobile phones have a good market prospect all over the country. This business can be started in a very less investment. Though branded companies have their own service centre but the demand for sales as well as repairing of mobile phones are very high therefore more shops are required.

Project For :
Mobile Shop (Expansion)

II. ECONOMICS OF THE PROJECT

A. COST OF PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
1	Shop (Already Existing)	-	-	-
2	Equipments	0.60	-	0.60
3	Furniture & Electrical Installation	0.40	-	0.40
4	Working Capital	1.00	0.00	1.00
		<hr/>	<hr/>	<hr/>
		2.00	0.00	2.00
		<hr/>	<hr/>	<hr/>

Means of Finance :

a) Own Contribution (25%)	0.50
b) T L facility from Bank (75%)	0.75
c) Cash Credit facility from Bank (75%)	0.75
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	2.00
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Project For :
Mobile Shop (Expansion)

B. PROFITABILITY STATEMENT

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Sales	7.00	10.25	12.00	13.20	14.52	15.97
	Add : Increase in Cl.Stock	1.17	0.54	0.29	0.20	0.22	0.24
	Total Turnover	8.17	10.79	12.29	13.40	14.74	16.21
2	Material Purchase	4.67	6.83	8.00	8.80	9.68	10.65
3	Overheads						
	a) Direct	1.10	1.21	1.23	1.22	1.31	1.38
	b) Indirect	1.60	1.76	1.94	2.03	2.13	2.24
4	Balance	0.80	0.99	1.12	1.34	1.61	1.94
5	Interest on TL & CC	0.15	0.14	0.13	0.11	0.10	0.09
6	Depreciation	0.12	0.11	0.09	0.08	0.07	0.06
7	Preliminary expenses W/off	-	-	-	-	-	-
8	Profit after Interest & Dep.	0.53	0.74	0.90	1.15	1.44	1.79
9	Income Tax	-	-	-	-	-	-
10	Profit after Tax	0.53	0.74	0.90	1.15	1.44	1.79
11	Add: Depreciation & Pre Exp.	0.12	0.11	0.09	0.08	0.07	0.06
12	Add : Interest on TL & CC	0.15	0.14	0.13	0.11	0.10	0.09
13	Cash Accruals	0.80	0.99	1.12	1.34	1.61	1.94
14	Instalments of TL & Interest	0.28	0.28	0.28	0.28	0.28	-
15	DSCR	2.39	3.07	3.56	4.35	5.32	-
16	Average DSCR	3.74					
17	N.P. to Total receipts	7.54	7.24	7.54	8.70	9.93	11.22

Project For :
Mobile Shop (Expansion)

C. CASH FLOW STATEMENT

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
A	CASH INFLOW :						
1	Collection from Debtors	6.71	9.82	11.50	12.65	13.92	15.31
2	T.L. from Bank	0.75					
3	CC from bank	0.75					
4	Capital	0.50	-	-	-	-	-
	TOTAL (A)	8.71	9.82	11.50	12.65	13.92	15.31
B	CASH OUTFLOW :						
1	Fixed Assets	1.00	-	-	-	-	-
2	Payment to creditors	3.90	6.48	7.81	8.67	9.54	10.49
3	Direct overheads	1.10	1.21	1.23	1.22	1.31	1.38
4	Indirect Overheads	1.60	1.76	1.94	2.03	2.13	2.24
5	Interest on Bank Loan	0.15	0.14	0.13	0.11	0.10	0.09
6	Income Tax	-	-	-	-	-	-
7	Term Loan Repayment	0.12	0.14	0.15	0.16	0.18	-
	TOTAL (B)	7.88	9.72	11.25	12.20	13.26	14.20
	SUMMARY:						
	Op. Cash & Bank Balance.	-	0.83	0.93	1.18	1.63	2.28
	Add : Surplus / (Deficit)	0.83	0.10	0.25	0.45	0.65	1.11
	Cl. Cash & Bank Balance.	0.83	0.93	1.18	1.63	2.28	3.39

Project For :
Mobile Shop (Expansion)

D. BALANCE SHEET

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
A	ASSETS :						
1	Fixed Assets	0.88	0.78	0.68	0.60	0.53	0.47
2	Investments	-	-	-	-	-	-
3	Current Assets	2.29	3.36	4.40	5.60	7.07	9.09
4	Loans & Advances	-	-	-	-	-	-
	TOTAL (A)	3.17	4.13	5.08	6.20	7.61	9.56
B	LIABILITIES:						
1	Capital	1.03	1.77	2.67	3.82	5.27	7.06
2	Secured loans Term Loan	0.63	0.49	0.34	0.18	0.00	-
3	Sundry Creditors	0.77	1.12	1.32	1.45	1.59	1.75
4	Current Liabilities Cash Credit	0.75	0.75	0.75	0.75	0.75	0.75
	TOTAL (B)	3.17	4.13	5.08	6.20	7.61	9.56

Project For :
Mobile Shop (Expansion)

(Rs. Lacs)

E. CAPITAL ACCOUNT

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Op. Balance	-	1.03	1.77	2.67	3.82	5.27
2	Additions	0.50	-	-	-	-	-
3	Net Profit for the year.	0.53	0.74	0.90	1.15	1.44	1.79
	Sub Total	1.03	1.77	2.67	3.82	5.27	7.06
4	Less : Drawings	-	-	-	-	-	-
5	Cl. Balance	1.03	1.77	2.67	3.82	5.27	7.06

Project For :
Mobile Shop (Expansion)

(Rs. Lacs)

F. SALES

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Sales per annum	7.00	10.25	12.00	13.20	14.52	15.97
2	Total Sale	<u>7.00</u>	<u>10.25</u>	<u>12.00</u>	<u>13.20</u>	<u>14.52</u>	<u>15.97</u>
3	Sundry Debtors (Credit period allowed 15 days)	0.29	0.43	0.50	0.55	0.61	0.67
4	Collection from Debtors	6.71	9.82	11.50	12.65	13.92	15.31

Project For :
Mobile Shop (Expansion)

(Rs. Lacs)

G. MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Sale of material	7.00	10.25	12.00	13.20	14.52	15.97
2	Purchases of Material	4.67	6.83	8.00	8.80	9.68	10.65
3	Sundry Creditors (Assume 60 day Cedit Period allowed)	0.77	1.12	1.32	1.45	1.59	1.75
4	Payment to creditors	3.90	6.48	7.81	8.67	9.54	10.49
5	Stock of Material	1.17	1.71	2.00	2.20	2.42	2.66

Project For :
Mobile Shop (Expansion)

(Rs. Lacs)

H. DIRECT OVERHEADS

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Staff Salary (Monthly salary- Rs. 5,000/- per staff) (No. of staff- 1)	0.60	0.66	0.63	0.59	0.65	0.68
2	Other Overheads	0.50	0.55	0.61	0.64	0.67	0.70
	Total	1.10	1.21	1.23	1.22	1.31	1.38

Project For :
Mobile Shop (Expansion)

(Rs. Lacs)

I. INDIRECT OVERHEADS

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Travelling & Conveyance	0.50	0.55	0.61	0.64	0.67	0.70
2	Repairs & Maint.	0.25	0.28	0.30	0.32	0.33	0.35
3	Electricity Expenses (Off.)	0.36	0.40	0.44	0.46	0.48	0.50
4	Telephone Expenses	0.24	0.26	0.29	0.30	0.32	0.34
5	Misc. Expenses	0.25	0.28	0.30	0.32	0.33	0.35
		<u>1.60</u>	<u>1.76</u>	<u>1.94</u>	<u>2.03</u>	<u>2.13</u>	<u>2.24</u>

Project For :
Mobile Shop (Expansion)

J. TERM LOAN REPAYMENT AND INTEREST THEREON

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	TL / Op. Bal.	0.75	0.63	0.49	0.34	0.18	-
2	Repayment during the year	0.12	0.14	0.15	0.16	0.18	-
3	Cl. Balance	0.63	0.49	0.34	0.18	0.00	-
4	Interest at 9 per cent p.a.	0.06	0.05	0.04	0.02	0.01	-
5	Total repayment with Interest	0.28	0.28	0.28	0.28	0.28	-
6	Interest on CC (at 12 per cent p.a.)	0.09	0.09	0.09	0.09	0.09	0.09
	Total Interest	0.15	0.14	0.13	0.11	0.10	0.09

Term Loan Repayment Schedule

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				0.75
1	0.02	0.01	0.01	0.74
2	0.02	0.01	0.01	0.73
3	0.02	0.01	0.01	0.72
4	0.02	0.01	0.01	0.71
5	0.02	0.01	0.01	0.70
6	0.02	0.01	0.01	0.69
7	0.02	0.01	0.01	0.68
8	0.02	0.01	0.01	0.67
9	0.02	0.01	0.01	0.66
10	0.02	0.00	0.01	0.65
11	0.02	0.00	0.01	0.64
12	0.02	0.00	0.01	0.63
First Year	0.19	0.06	0.12	
13	0.02	0.00	0.01	0.61
14	0.02	0.00	0.01	0.60
15	0.02	0.00	0.01	0.59
16	0.02	0.00	0.01	0.58
17	0.02	0.00	0.01	0.57

18	0.02	0.00	0.01	0.56
19	0.02	0.00	0.01	0.55
20	0.02	0.00	0.01	0.54
21	0.02	0.00	0.01	0.52
22	0.02	0.00	0.01	0.51
23	0.02	0.00	0.01	0.50
24	0.02	0.00	0.01	0.49
Second Year	0.19	0.05	0.14	
25	0.02	0.00	0.01	0.48
26	0.02	0.00	0.01	0.47
27	0.02	0.00	0.01	0.45
28	0.02	0.00	0.01	0.44
29	0.02	0.00	0.01	0.43
30	0.02	0.00	0.01	0.42
31	0.02	0.00	0.01	0.40
32	0.02	0.00	0.01	0.39
33	0.02	0.00	0.01	0.38
34	0.02	0.00	0.01	0.37
35	0.02	0.00	0.01	0.35
36	0.02	0.00	0.01	0.34
Third Year	0.19	0.04	0.15	
37	0.02	0.00	0.01	0.33
38	0.02	0.00	0.01	0.31
39	0.02	0.00	0.01	0.30
40	0.02	0.00	0.01	0.29
41	0.02	0.00	0.01	0.27
42	0.02	0.00	0.01	0.26
43	0.02	0.00	0.01	0.25
44	0.02	0.00	0.01	0.23
45	0.02	0.00	0.01	0.22
46	0.02	0.00	0.01	0.21
47	0.02	0.00	0.01	0.19
48	0.02	0.00	0.01	0.18
Fourth Year	0.19	0.02	0.16	
49	0.02	0.00	0.01	0.16
50	0.02	0.00	0.01	0.15
51	0.02	0.00	0.01	0.14
52	0.02	0.00	0.01	0.12
53	0.02	0.00	0.01	0.11
54	0.02	0.00	0.01	0.09
55	0.02	0.00	0.01	0.08
56	0.02	0.00	0.01	0.06
57	0.02	0.00	0.02	0.05
58	0.02	0.00	0.02	0.03
59	0.02	0.00	0.02	0.02
60	0.02	0.00	0.02	0.00
Fifth Year	0.19	0.01	0.18	

Project For :
Mobile Shop (Expansion)

K. CURRENT ASSETS

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Cl. Stock of Materials	1.17	1.71	2.00	2.20	2.42	2.66
	Total Inventory	<u>1.17</u>	<u>1.71</u>	<u>2.00</u>	<u>2.20</u>	<u>2.42</u>	<u>2.66</u>
2	Cash and bank Balance	0.83	0.93	1.18	1.63	2.28	3.39
3	Sundry Debtors	0.29	0.72	1.22	1.77	2.37	3.04
	Total	<u>2.29</u>	<u>3.36</u>	<u>4.40</u>	<u>5.60</u>	<u>7.07</u>	<u>9.09</u>

Project For :
Mobile Shop (Expansion)

L. FIXED ASSETS AND DEPRECIATION

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Equipments						
	Op. Balance	-	0.54	0.49	0.44	0.39	0.35
	Additions	0.60	-				
	Total	0.60	0.54	0.49	0.44	0.39	0.35
	Less : Depreciation	0.06	0.05	0.05	0.04	0.04	0.04
	Cl. WDV	0.54	0.49	0.44	0.39	0.35	0.32
2	Furniture & Electrical Installation						
	Op. Balance	-	0.34	0.29	0.25	0.21	0.18
	Additions	0.40	-		-		
	Total	0.40	0.34	0.29	0.25	0.21	0.18
	Less : Depreciation	0.06	0.05	0.04	0.04	0.03	0.03
	Cl. WDV	0.34	0.29	0.25	0.21	0.18	0.15
	Total Depreciation	0.12	0.11	0.09	0.08	0.07	0.06
	Cl. WDV	0.88	0.78	0.68	0.60	0.53	0.47

Project For :
Mobile Shop (Expansion)

M. WORKING CAPITAL

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Total Current Assets	2.29	3.36	4.40	5.60	7.07	9.09
2	Total Current Liabilities	0.77	1.12	1.32	1.45	1.59	1.75
3	Working Capital	1.52	2.23	3.08	4.15	5.48	7.34