

**OPERATING EXPENDITURE AND RETURN ON INVESTMENT PER MONTH  
TO OPERATE A LAST MILE CABLE OPERATION in 3 SQ KM AREA COVERING  
AVERAGE 3000 HOUSE HOLDS**

S.No.	<u>Particulars</u>	<u>Salary</u>	<u>Nos</u>	<u>Amount</u>	
	<b><u>Manpower cost per Month</u></b>				
1	Network Manager	16000	1	16000	
2	Receptionist / Call Attendent	6500	2	13000	(8 hrs shift/16 hrs)
3	Account Executive	6500	1	6500	
4	Asst. Account Executive	5500	1	5500	
5	Head Technician	9000	1	9000	
6	Technicians	6500	6	39000	(1 Technician required on 500 homes)
7	Helper/money Collectors	4500	10	45000	(Average 1 collector on 250 homes to collect subscription each month )
8	Security Guard-Headend	4800	3	14400	(8 hrs shift/24 hrs)
9	Storekeeper	6000	1	6000	
	Total Manpower Cost			<b><u>154400</u></b>	
	<b><u>Total Operating Cost per Month</u></b>				
		Rate	Quantity	Amount	
1	Building Rent	24000	1	24000	extra premises also rented for area wise service centres
2	Electricity & Water Charges			12000	
3	Communication Cost, Telephone / Mobile			4500	
4	Advertisement Expenses			6500	
5	Transport Charges			22000	
6	Man Power Cost			154400	
7	Repairs and Maintenance @ 6% p.a			40000	(calculated monthly)
8	Diesel (Genset Avg. running 3hrs/day)			6000	
9	Other Expenditure (Misc)			15000	
10	Depreciation - Office / Service Centre			20000	(calculated monthly @ 25% p.a)
11	Depreciation - Network Distribution Plant			130000	(calculated monthly @ 100% p.a in 5 yrs)
12	<b>LT Pole Hire Charges for laying cables*</b>	800 p.a	400	32000	(calculated

		monthly i.e 32000/12) ( Average Cost of Collection per subscriber/ Per Month Rs. 23.50)
13	<b>Bill Generation and Cost of Collection / Sub</b>	52875
14	<b>Audit Fees</b>	2000
15	<b>Staff Welfare</b>	12000
16	<b>Printing &amp; Stationery</b>	3000
17	Provision for Bad Debts @ 2%	25080
18	Total Per Month	<b><u>561355</u></b>
		<i>(Advt. Income recd per month)</i>
19	Less other income per month (NET)	60000
20	Net Operating cost per month	501355
		<i>( Entertainment Tax and Service Tax (12.36%) extra)</i>
21	Net Operating cost per month per subscriber	<b><u>167.12</u></b>

Cost of transport of Signals to the Last mile not taken into account

QOS Guidelines if adhered to the cost of servicing a Cable subscriber will increase further

Other source of income if any can keep the subscriber monthly bill subsidized