



PROJECT PROFILE ON BOOK BINDING UNIT ON JOB WORK BASIS

Category : Service

Total Cost of Project : Rs. 1,25,000/-
BEP : 34%

I. INTRODUCTION OF BUSINESS IDEA :

Book-binding unit is a service unit in which books, copies, files, register, office records etc., are bound on job-work basis. The binding work can be obtained from various printing presses, schools, colleges, banks and other offices.

II. SERVICE AND ITS APPLICATIONS :

The unit offers binding service to individuals, institutions and companies. The binding of office records, books, old registers and magazines etc is done.

III. MARKET POTENTIAL :

Book binding work can be sub contracted from big publishers, educational institutes and corporate houses etc. Students also require binding services of their project works and thesis etc. Some of the educational institutes require library books to be bound annually. With established local contacts, no problem is envisaged for such a unit. Also the consumers can themselves contact such a unit to avail its services. If the entrepreneurs do quality work, then this unit will get work on a continuous basis and can run successfully in various cities.

IV. CAPACITY / REVENUE (FIRST YEAR) :

The capacity estimated is 24000 books / registers / files to be bound annually in the unit.

Sl. No.	Service	Qty.	Rate Average	Sales Amount.
1	Binding	30,000	15	4,50,000

V. MANUFACTURING PROCESS & QUALITY :

The first work to do in the binding processes of books / registers / files, is to arrange the papers systematically and these well arranged papers are stitched together. Then paper/brown paper and cardboards are cut as per the measurements of books on the register. Thereafter brown paper is pasted on the stitched book / register like a cover on top of which cloth /rexin is glued which is followed by the covering of a cardboard, after the book/register has been properly bound, it is cut and covered by a decorative/paper/rexin.



The pages to be bound are set first, pressed and the binding as per the requirement whether spiral, general using rexin or leather is carried out. If need be, cutting is carried out as per required size. Usually, the books are pressed for some time after the binding so that everything is neatly set.

VI. COST OF PROJECT AND MEANS OF FINANCE, INCLUDING WORKING CAPITAL REQUIREMENTS :

A. Cost of Project :

Sl. No	Particulars	Amount (Rs).
1	Machinery / Equipments	85,000
2	Preliminary and preoperative expenses	10,000
3	Deposit	10,000
4	Working Capital Requirements	20000
	Total	1,25,000

B. Means of Finance:

Sl. No	Particulars	Amount (Rs).
1	Loan @ 75%	94,000
2	Equity	31,000
	Total	1,25,000

C. Working Capital Requirement :

Sl. No.	Particulars	Basis	Period	Amount (Rs.)
1	Raw-material	98,000/12 x 1/2	2 wk	4,000
2	Bills receivables	4,50,000/12 x 1/4	1wk	10,000
3	Other expenses			6,000
	Total			20,000

VII. MAIN INPUTS REQUIREMENT :

A. Machinery :

Sl. No.	Particulars	No.	Rate	Total Cost
1.	Paper cutting machine 32" size (with 1 H.P. motor)	1	36,000	46,000
2.	Stitching machine (7 x 16") size electric motor of 0.5 H. P.	1	15,000	15,000
3.	Perforating machine Manual Treadle 18" size	1	6,000	6,000
4.	Press (15 x 20") size, manual	1	5,000	5,000
5	Spiral binding machine	1		3,000
6.	Installation. And electrification etc			10,000
	Total			85,000



B. Raw-materials (P.A.) :

Sl. No.	Particulars	Qty	Rate	Total Cost (Rs.)
1	Straw board (yellow cardboard)	1,800 kg	25 per kg	45,000
2	Red canvas / rexin / transparent sheets	120 sheets	100	12,000
3	Binding cloth	300 mts	50	15,000
4.	Cover paper / craft paper	2,000	5	10,000
5.	Favicol, glue etc	Lump sum		8,000
6.	Thread and other raw material	Lump sum		8,000
	Total			98,000

C. Utilities (P.A):

Sl. No.	Particulars	Monthly Requirement	Unit Cost	Total Annual Charges. (Rs.)
1	Electricity (1 H. P.)	200 units	8	19,200
	Total			19,200

D. Man-power requirement :

Sl. No.	Workers	No.	Monthly Salary (Rs.)	Annual Salary (Rs.)
1	Skilled worker	1	6,000	72,000
2	Helpers	1	4,000	48,000
	Total			1,20,000

E. MAIN INFRASTRUCTURE REQUIREMENT :

Building	Built up space of 500 sq. ft is required
Power	2 HP power connection is required.
Water	Water is required for general purposes.

VIII. PROFITABILITY PROJECTION (Annual) :

Particulars	Basis	Amount (Rs.)
Sales Revenue (Projected)	Ref : IV	4,50,000
Raw Materials	Ref : VII B	98,000
Man power expenses	Ref : VII D	1,20,000
Utilities	Ref : VII C	19,200
Interest	@ 12%	11,000
Depreciation	15% SLM	12,000
Overheads (Rent and maintenance etc.)		50,000
Total Expenses		3,10,200
Profit		1,39,800



IX. FINANCIAL INDICATOR :

Break Even Point FC $\frac{\text{-----}}{\text{SR-VC}} \times 100$	$\frac{73,000}{2,13,000} \times 100$	34%
Payback period COP $\frac{\text{-----}}{\text{Profit + Deprn.}}$	$\frac{1,25,000}{1,51,800}$	Less than 1 year

X. ADDRESSES :

SUPPLIERS OF MACHINERY / EQUIPMENTS :

Arpita Office Automation,
Ashwamedha Trade Center,
Dajibanpeth,
Hubli.

Suppliers of raw material

Prakash Traders,
Durgad bail,
Hubli Ph : 0836 - 2368535

XI. SPECIAL NOTE :

Binding skills are required. Training in a printing press is advantageous.