



PROJECT PROFILE ON MANUFACTURING UNIT EXERCISE BOOKS

Category : Manufacturing

Total Cost of Project : Rs. 3,84,000/-

BEP : 46%

I. INTRODUCTION OF BUSINESS IDEA :

Exercise books are compulsorily required by students. The quantity required by student's increases as they move from standard to standard. These products are in great demand in the months of May-June-July (start of the school after summer vacation). However, exercise books are required round the year. Similarly registers are essential in every office, institution or organisation whether they are needed to keep accounts or attendance records or for any other record. Therefore, sufficient market is available for these products.

II. PRODUCT AND ITS APPLICATIONS :

The present project is about the manufacturing of exercise books and registers. The end users are students, shops, industries and various offices. Books can be of various types, sizes and also different no. of pages. Similarly registers can also be for different purposes like for keeping accounts, attendance, stock etc.

III. MARKET POTENTIAL :

Exercise books are always on demand. For better marketing, a tie up can be made with nearby schools/colleges for assured market. Registers can be tailor made depending on the requirement of the business houses. Prior contacts with the bulk buyers would be better. Hubli is a main marketing center for exercise books in north Karnataka and hence units starting in the district will have good scope.

IV. CAPACITY / REVENUE :

Sl. No.	Product	Qty.	Rate Rs Per unit	Sales Amount
1.	Exercise books 100 pages	60,000	14	8,40,000
2	Exercise books 200 pages	40,000	22	8,80,000
3	Others	40,000	20(average)	8,00,000
	Total	1,44,000		25,32,000

V. MANUFACTURING PROCESS & QUALITY :

The manufacturing process of registers and note books etc is quite simple. In this process, first of all white papers are ruled with the help of ruling machine as per the requirements (2 lines, 4 lines and single lines etc.). Then the ruled paper sheets are folded in to the required size of notebook (92 pages, 192 pages, 288 pages) and then after binding it with grey boards, labels and covers and pasted on it. The outside covers can be purchased from places like Shivakashi which are quite popular). After pasting the covers, the cutting is done to give them the finishing touch. Finally the books are kept pressed for some time. The books are packed in fixed numbers.

Quality papers have to be used and good finishing has to be given.



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

A. Cost of Project :

Sl. No	Particulars	Amount (Rs).
1	Machinery / Equipments	1,19,000
2	Preliminary and preoperative expenses	10,000
3	Deposit	40,000
4	Working Capital Requirements	2,15,000
	Total	3,84,000

B. Means of Finance:

Sl. No	Particulars	Amount (Rs).
1	Loan @ 75%	2,88,000
2	Equity	96,000
	Total	3,84,000

C. Working Capital Requirement :

Sl. No.	Particulars	Basis	Period	Amount (Rs.)
1	Raw-material	14,50,000/12 x ¼	1 wk	30,000
2	Finished goods	16,61,000/12 x ½	2wk	70,000
4	Bills receivables	25,32,000/12 x ½	½ m	1,05,000
5	Working expenses			10,000
	Total			2,15,000

VII. MAIN INPUTS REQUIREMENT :

A. Machinery :

Sl. No.	Particulars	No.	Rate	Total Cost
01.	Disk ruling machine (size 36" 0.25 H.P.-Motor)	1	35,000	35,000
02.	Paper cutting machine 32" size (with 1 H.P. motor)	1	40,000	40,000
03.	Stitching machine (7 x 16") size electric motor of 0.5 H. P.	1	20,000	20,000
04.	Perforating machine Manual Treadle 18" size	1	8,000	8,000
05.	Press (15 x 20") size, manual	1	6,000	6,000
06.	Electrification/installation exp			10,000
	Total			1,19,000

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



Sl. No.	Particulars	Qty	Total Cost (Rs.)
1	White sheets (cream vove) (44-50 GSM 18" x 622") size	2,000 ream sheets	8,00,000
2	Grey board sheets (81/2 x 81/4" 270 GSM)	18,000 sheets	4,50,000
3	Printing ink, level cover sheets, gum, binding cloth thread, stitching were and consumables, etc.		2,00,000
	Total		14,50,000

C. Utilities :

Sl. No.	Particulars	Monthly Requirement	Unit Cost	Total Monthly Charges. (Rs.)	Total Annually Charges. (Rs.)
1	Electricity	500 units	8	4,000	48,000
	Water				5,000
	Total				53,000

D. Man-power requirement :

Sl. No.	Workers	No.	Monthly Salary (Rs.)	Annual Salary (Rs.)
1	Skilled worker	2	8,000	1,92,000
2	Unskilled worker	4	6,000	2,88,000
	Total			4,80,000

E. MAIN INFRASTRUCTURE REQUIREMENT :

Building	Built up space of 800 sq. ft is required.
Power	2 HP
Water	Water is required for general purposes.

VIII. PROFITABILITY PROJECTION (Annual) :

Particulars	Basis	Amount (Rs.)
Sales Revenue (Projected)	Ref : IV	25,32,000
Raw Materials	Ref : VII B	14,50,000
Man power expenses	Ref : VII D	4,80,000
Utilities	Ref : VII C	53,000
Interest	@ 12%	35,000
Depreciation	15% SLM	18,000
Overheads	Rent, repairs, maintenance, selling exp etc	2,00,000
Total Expenses		22,36,000
Profit		2,96,000

IX. FINANCIAL INDICATOR :



Break Even Point $\frac{FC}{SR-VC} \times 100$	$\frac{2,53,000}{5,49,000} \times 100$	46%
Payback period $\frac{COP}{\text{Profit} + \text{Deprn.}}$	$\frac{3,84,000}{3,14,000}$	1 year 3 months

X. ADDRESSES :

SUPPLIERS OF MACHINERY / EQUIPMENTS :

M R M Engineers

10/A M S Ramaiah Indl estate
Bangalore-54

Ph. No. 080-23602889

SUPPLIERS OF RAW MATERIAL

Jain paper products
Mishrikoti Cross
Karwar road,
Hubli-24
Ph-0836 2204925

XI. SPECIAL NOTE :

Tie up with educational institutions is essential to start with.