



PROJECT PROFILE FOR MANUFACTURING OF PAPER ENVELOPES

Category : Manufacturing

Total Cost of Project : Rs 2,88,000/-

BEP : 28 %

I. INTRODUCTION OF BUSINESS IDEA :

The paper covers (envelop) are very much essential in almost all Govt. and private offices. These are required in different sizes with different type of papers. In some cases, the covers are cloth lined.

II. PRODUCT AND ITS APPLICATIONS:

Envelopes are used for sending letters etc by post or courier. It finds its application in various places like educational institutions, commercial organizations and Govt. organizations etc. Through envelopes, a lot of written communication takes place.

III. MARKET POTENTIAL:

The requirement of envelopes is huge in all districts. The major supply presently is from Bangalore and other places. The local manufacturers will definitely have an advantage. The unit can have tie up with big organizations like Grameen Banks, educational institutes etc. With proper survey in advance, no problem is envisaged in marketing the product.

IV. CAPACITY-REVENUE (1ST YEAR):

In first year the unit is expected to produce/sell 18,00,000 based on 300 working days.

| Sl. No. | Product | Qty | Rate Per 100 (Average) | Sales Amount |
|---------|------------------------------------|---------------------------|------------------------|--------------|
| 01 | Envelope covers of different sizes | 6,000/ day (18,00,000) | Rs. 42 | 7,56,000 |

V. MANUFACTURING PROCESS AND QUALITY:

The envelopes are prepared by using quality papers. The paper is cut as per the size required and then it is folded by using folding machine. The paper is then pasted as per the folds and then pasted to give the final shape. It is then packed in fixed quantities like 50 or 100s.



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

A. COST OF PROJECT:

| Sl. No. | Particulars | Amount (Rs). |
|---------|---------------------------------------|-----------------|
| 1 | Equipments | 1,55,000 |
| 2 | Other fixed assets | 10,000 |
| 3 | Preliminary and preoperative expenses | 10,000 |
| 4 | Deposits | 40,000 |
| 5 | Working Capital Requirements | 73,000 |
| | Total | 2,88,000 |

B. MEANS OF FINANCE:

| Sl. No. | Particulars | Amount (Rs). |
|---------|---------------------------------|-----------------|
| 1 | Loan @ 75% (Excluding Deposits) | 2,16,000 |
| 2 | Equity | 72,000 |
| | Total | 2,88,000 |

C. WORKING CAPITAL REQUIREMENT:

| Sl. No. | Particulars | Basis | Period | Amount |
|---------|------------------|-----------------------------|---------------------|---------------|
| 1 | Raw-materials | 2,20,000/12 x 1 | 1 m | 18,000 |
| 2 | Bills Receivable | 7,56,000/12 x $\frac{3}{4}$ | $\frac{3}{4}$ month | 47,000 |
| 3 | Working exp | LS | 1 m | 8,000 |
| | Total | | | 73,000 |

VII. MAIN INPUTS REQUIREMENTS

A. MACHINERY:

| Sl. No. | Particulars | Qty | Amount |
|---------|--------------------------------|-----|-----------------|
| 1 | Semi-automatic Cutting Machine | 1 | 50,000 |
| 2 | Semi-automatic Folding Machine | 2 | 60,000 |
| 3 | Moulds | 5 | 30,000 |
| 4 | Installation & Electrification | LS | 15,000 |
| | Total | | 1,55,000 |

B. RAW-MATERIALS (P.A.):

| Sl. No. | Particulars | Qty | Rate average | Total cost(Rs) |
|---------|-------------------|----------|----------------|-----------------|
| 1 | Variety of Papers | 3 MT | 32,000 per ton | 96,000 |
| 2 | Gum | 200 kg | 100 per kg | 20,000 |
| 3 | Knitted cloth | 10,000 m | 800 per 100 m | 80,000 |
| 4 | Packing materials | PM | 2,000/month | 24,000 |
| | Total | | | 2,20,000 |



UTILITIES(P.A.):

| Sl. No. | Particulars | Monthly Charges (Rs.) | Annual Charges (Rs.) |
|---------|-----------------------|-----------------------|----------------------|
| 1 | Electricity and water | 1,000 | 12,000 |

D. MAN-POWER REQUIREMENT:

| Sl. No. | Workers | No. | Monthly Salary (Rs) | Annual Salary (Rs) |
|---------|-----------------|----------|---------------------|--------------------|
| 01 | Skilled workers | 1 | 8,000 | 96,000 |
| 02 | Helpers | 2 | 6,000 | 1,44,000 |
| | Total | 3 | | 2,40,000 |

E. INFRASTRUCTURE REQUIREMENT:

| | |
|----------|---|
| Building | Built up space of 500 sq.ft is required @ rent of Rs 24000/- p.a. |
| Power | 5 HP power is required |
| Water | Water is required for general purposes |

VIII. PROFITABILITY PROJECTION (ANNUAL):

| Particulars | Basis | Amount (Rs). |
|---------------------------|-----------------------|-----------------|
| Sales Revenue (Projected) | Ref: IV | 7,56,000 |
| Raw Materials | Ref: VII B | 2,20,000 |
| Man Power Expenses | Ref: VII D | 2,40,000 |
| Utilities | Ref: VIIC | 24,000 |
| Interest | @12% | 26,000 |
| Depreciation | SLM @ 15% | 23,000 |
| Overheads | Rent, maintenance etc | 24,000 |
| Total Expenses | | 5,93,000 |
| Profit | | 1,63,000 |

IX. FINANCIAL INDICATOR:

| | | |
|---|-----------------------------------|----------------------|
| Break Even Point FC -----*100 SR-VC | 76,000 ----- X 100 2,72,000 | 28% |
| Payback period Cost of project ----- Profit+ Depn. | 2,88,000 ----- 1,86,000 | 1 year & 7 months |



ADDRESS:

X. SUPPLIERS OF MACHINERY / EQUIPMENTS:

Machine Tools Traders
P.B.No. 6695, 41, Narasimharaja Road,
Bangalore-560002
Ph 080-2229580

SUPPLIERS OF RAW MATERIAL:

Shiv Paper & Boards
119, Sultanpet, Bangalore-53
Ph-9448891305

XI. SPECIAL NOTE :

Entrepreneur should network with offices, manufacturers and government office, educational institution for marketing (contract work).