



## PROJECT PROFILE ON RUBBER BANDS

Category : Manufacturing

Total Cost of Project : Rs3,41,000/-

BEP : 49 %

### I. INTRODUCTION OF BUSINESS IDEA :

Rubber bands are essential for packaging and also for record keeping in offices. These are preferred to the traditional tapes, strings etc.

### II. PRODUCT AND ITS APPLICATION:

Rubber bands are used for packing sweet boxes, keeping papers and records in separate sets or specific quantities etc. Even in small courier parcels it is used.

### III MARKET POTENTIAL:

The product is required in offices, sweet shops, general stores, stationery shops and some small industries. The product is light and not voluminous in nature. The market has to be widely networked. The present supply is from Bangalore and outside the state. A local unit should be able to get good market

### IV. CAPACITY-REVENUE AND SALES:

Sl. No.	Product	Qty	Rate Per ton	Sales Amount
01	Multi colour rubber band bale	30 T	Rs.48,000	14,40,000

### V. MANUFACTURING PROCESS AND QUALITY:

The rubber band role of different diameter and different thickness is taken. This is fed to the automatic machine for cutting as per the required thickness. Rubber bands obtained are checked for quality and packed in specific weights in polythene bags.

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

#### A. Cost of Project:

Sl. No	Particulars	Amount (Rs).
1	Equipments	1,25,000
2	Other fixed assets	10,000
3	Preliminary and preoperative expenses	10,000
4	Deposits	50,000
5	Working Capital Requirements	1,46,000
	<b>Total</b>	<b>3,41,000</b>



**B. Means of Finance:**

Sl. No.	Particulars	Amount (Rs).
1	Loan@75%	2,56,000
2	Equity	85,000
	<b>Total</b>	<b>3,41,000</b>

**C. Working Capital Requirement:**

Sl. No.	Particulars	Basis	Period	Amount
1	Raw-materials	9,70,000/12 x 1	1m	80,000
2	Bills receivable	14,40,000/12 x 1/2	2w	60,000
3	Working expenses		1m	6,000
	<b>Total</b>			<b>1,46,000</b>

**VII. Main Inputs Requirements**

**A. Machinery:**

Sl. No.	Particulars	Qty	Amount
1	Automatic band cutting machine	1	80,000
2	Packets sealing machine	1	10,000
3	Weighing machine and other tools	-	10,000
4	Colour trays	10	10,000
	Installation and electrification		15,000
	<b>Total</b>		<b>1,25,000</b>

**B. Raw-materials (p.a.):**

Sl.No.	Particulars	Qty	Rate	Total cost(Rs)
1	Rubber band roll	31 T	30,000 /T	9,30,000
2	Packing material			40,000
	<b>Total</b>			<b>9,70,000</b>

**C. Utilities:**

Sl. No.	Particulars	Monthly Charges (Rs)	Total Annual Charges (Rs)
1	Electricity, water	5,000	60,000



**D. Man-power requirement:**

Sl. No.	Workers	No.	Monthly Salary (Rs)	Annual Salary (Rs)
1	Skilled worker	1	8,000	96,000
2	Helper	1	4,000	48,000
	<b>Total</b>			<b>1,44,000</b>

**E. Infrastructure Requirement:**

Building	Built up space of 500 sq.ft is required
Power	Commercial power connection is required
Water	1 KL Water is required per day

**VIII. Profitability Projection (Annual):**

Particulars	Basis	Amount (Rs).
Sales Revenue	Ref: IV	14,40,000
Raw Materials	Ref: VII B	9,70,000
Man Power Expenses	Ref: VII D	1,44,000
Utilities	Ref: VIIC	60,000
Interest	@14%	31,000
Depreciation	@ 15%	19,000
Overheads	Rent, maintenance etc	80,000
<b>Total Expenses</b>		<b>13,04,000</b>
<b>Profit</b>		<b>1,36,000</b>

**IX. FINANCIAL INDICATOR:**

Break Even Point FC -----*100 SR-VC	1,30,000 -----*100 2,66,000	49%
Payback period Cost of project ----- Profit+ Depn.	3,41,000 ----- 1,55,000	2 years 3 months



**ADDRESS:**

**X. SUPPLIERS OF MACHINERY / EQUIPMENTS:**

Standard Rubber & Fabrication industries  
1<sup>st</sup> Main road, Peenya second stage  
Bangalore-68 Ph. No. : 080-41171636

**Suppliers of raw material:**

Admiral Trading co,  
17/8, MRR Lane,  
SJP Road Cross  
Bangalore Ph. No. : 080-2222154