

CARD BOARD BOXES

1. INTRODUCTION

The packing material of the items depends on the products nature and its usage. The number of factors are considered while packing any item like nature of that particular product, purpose of the packing, probable expenditure of the packing material, availability of the etc. In this respect card board boxes are most suitable for various things, like medicines and herbs, cosmetics, shoes, electrical items, glass ware, sweets, jewellery, chalk boxes, hosiery items and many other daily use products. These boxes are generally made of duplex board, mill board, grey board, etc. All most all every town / district level there is a requirement for such boxes. The entrepreneur can easily set up a card board manufacturing unit.

2. MARKET

There is good demand for card board boxes in the country. Each and every town in India requires lakhs of card board boxes for packing of different materials like glass ware, garments, artificial items, toys, furniture etc.

3. MANUFACTURING PROCESS

The first step in making such boxes is the cutting of cardboard as per the required shape & size and then they are creased as per the design with the help of creasing machine. Then the creased sides/edges are pasted or stapled. After that white paper or coloured paper or a printed label, if there is any, is glued and then are laminated after which they go for creasing.

4. PRODUCTION CAPACITY PER ANNUM

Capacity	120000 Boxes per annum
Selling Price	Rs. 6.75 Per box

5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Preliminary & Preoperative Expns	3000
2	Fixed Capital	106000
3	Working Capital for 1 month(s)	60500
	Total Project Cost	169500

6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	25425
2	Subsidy	20%	33900
3	Term Loan	65%	110175
	Total		169500

7. FINANCIAL ASPECTS

A. FIXED CAPITAL

i. Land and Buildings

Rented

2000 per month

ii. Machinery and Equipment

S.No	Description	Qty.	Rate	Amount Rs.
1	Rotary creasing machine 32 with 1 HP motor	1	18000	18000
2	Paper cutting machine 32	1	45000	45000
3	Motor 1 HP	1	6000	6000
4	wire stitching machine	1	20000	20000
5	Dies	1	7000	7000
6	Other equipment	1	10000	10000
	Total			106000

B. WORKING CAPITAL

i. Salaries & Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Supervisor/Entrepreneur	1	2500	2500
2	Skilled workers	2	2000	4000
3	Workers	4	1500	6000
	Total			12500

ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Yellow straw board	Kgs	2500	10	25000
2	White paper coloured label	Pieces	10000	1	10000
3	Consumable items,glue, wires etc		2000	1	2000
	Total				37000

iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	2000
2	Water	LS	500
	Total		2500

iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage & Stationery Expenses	1500
2	Transportation Expenses	1500
3	Advertisement Expenses	1500
4	Consumeble Stores	1000
5	Miscellaneous Expenses	1000
	Total	6500

v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	2000
2	Salaries and Wages	12500
3	Raw Material	37000
4	Utilities	2500
5	Other Expenses	6500
	Total	60500

8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	726000
2	Depreciation @ 15%	15900
3	Interest @ 12%	13221
	Total	755121

9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1		Boxes per annum	120000	6.75	810000
	Total				810000

10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	15900
2	Interest	13221
3	Rent	24000
4	Salaries & Wages @ 40%	60000
5	Other Expenses incl. Utilities @ 40%	43200
	Total	156321

11. PROFIT ANALYSIS & RATIOS

1	Net Profit	Rs.	54879
2	Percentage of Profit on Sales		7%
3	Percentage of Return on Investment		32%
4	Break Even Point		74%