

## MANUFACTURING OF NOTE BOOKS (STATIONERY ITEMS)

### 1. INTRODUCTION

Stationery items like note books, exercise books, log books, etc are always in demand for students. The demand for note books is more in the months of June to August in every year. Similarly, registers are essential in every office, institutions, organisations, etc. The size of the products will be decided as per the local market demands.

### 2. MARKET

There is increasing demand for note books as stationery items in view of rapid growth in institutions and offices of government and commercial establishments. The market is good particularly in tribals areas due to non-availability.

### 3. MANUFACTURING PROCESS

The manufacturing process of note books, registers, etc is quite simple. In this process, first of all white papers are ruled with the help of ruling machine as per the local requirement. The the ruled paper sheets are folded into the required size of note book (92/192 pages) and hten after binding it with grey boards, labels and covers and pasted on it. These labels can also be printed by the entrepreneur in his own unit and various multi colour attractive covers can be purchased from the market. After pasting the covers, cutting is done to give them the finishing touch. The same procedure is followed for making the registers also.

### 4. PRODUCTION CAPACITY PER ANNUM

	92 pages	192 pages
Capacity	Nos <span style="color: red;">70000</span>	<span style="color: red;">100000</span>
Selling Price	Rs. <span style="color: red;">3.50</span>	<span style="color: red;">5.50</span>
Total	245000	550000

### 5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Fixed Capital	85500
2	Working Capital for <span style="color: red;">1</span> month(s)	59400
3	Preliminary & Preoperative Expns	5000
	Total Project Cost	149900

### 6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	22485
2	Subsidy/Soft Loan	20%	29980
3	Term Loan	65%	97435
	Total		149900

## 7. FINANCIAL ASPECTS

### A. FIXED CAPITAL

i. Land and Buildings Rented Rs. 1500 per month

#### ii. Machinery and Equipment

S.No	Description	Qty.	Rate	Amount Rs.
1	Disk rulling machine - 36" with motor	1	21000	22000
2	Paper cutting machne - 32" with motor	1	33000	33000
3	Stitching machine with motor 0.5 HP	1	15000	15000
4	Perforating amchine - manual 18"	1	2500	2500
5	Press - manual - 15 x 20"	1	3000	3000
6	Furnitures and fixtures	LS		3000
7	Installation and electrification	LS		5000
8	Misellaneous expenses	LS		2000
	Total			85500

### B. WORKING CAPITAL

#### i. Salaries & Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Manager/Entrepreneur	1	2500	2500
2	Skilled workers	1	2000	2000
3	Semiskilled workers	1	1500	1500
4	Unskilled workers	2	1000	2000
	Total			8000

#### ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	White sheets - 44-50 GSM 18x622"	Ream	160	260	41600
2	Grey board sheets	Sheets	1500	2	3000
3	Printing ink, level cover sheets, gum, binding cloth thread, stitchingware, consumables, etc		LS		1500
	Total				46100

#### iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	1000
2	Water	LS	100
	Total		1100

iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage, Telephones & Stationery Expenses	500
2	Transportation & Conveyance Expenses	500
3	Advertisement Expenses	200
4	Repairs and Maintenance Expenses	500
4	Consumable Stores	500
5	Miscellaneous Expenses	500
	Total	2700

v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	1500
2	Salaries and Wages	8000
3	Raw Material	46100
4	Utilities	1100
5	Other Expenses	2700
	Total	59400

8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	712800
2	Depreciation @ 15%	12825
3	Interest @ 12%	11692
	Total	737317

9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1	Note Books (92 pages)	Nos	70000	3.50	245000
2	Note Books (192 pages)	Nos	100000	5.50	550000
	Total				795000

10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	12825
2	Interest	11692
3	Rent	18000
4	Salaries & Wages @ 40%	38400
5	Other Expenses incl. Utilities @ 40%	18240
	Total	99157

11. PROFIT ANALYSIS & RATIOS

1	Net Profit	Rs.	57683
2	Percentage of Profit on Sales		7%
3	Percentage of Return on Investment		38%
4	Break Even Point		63%