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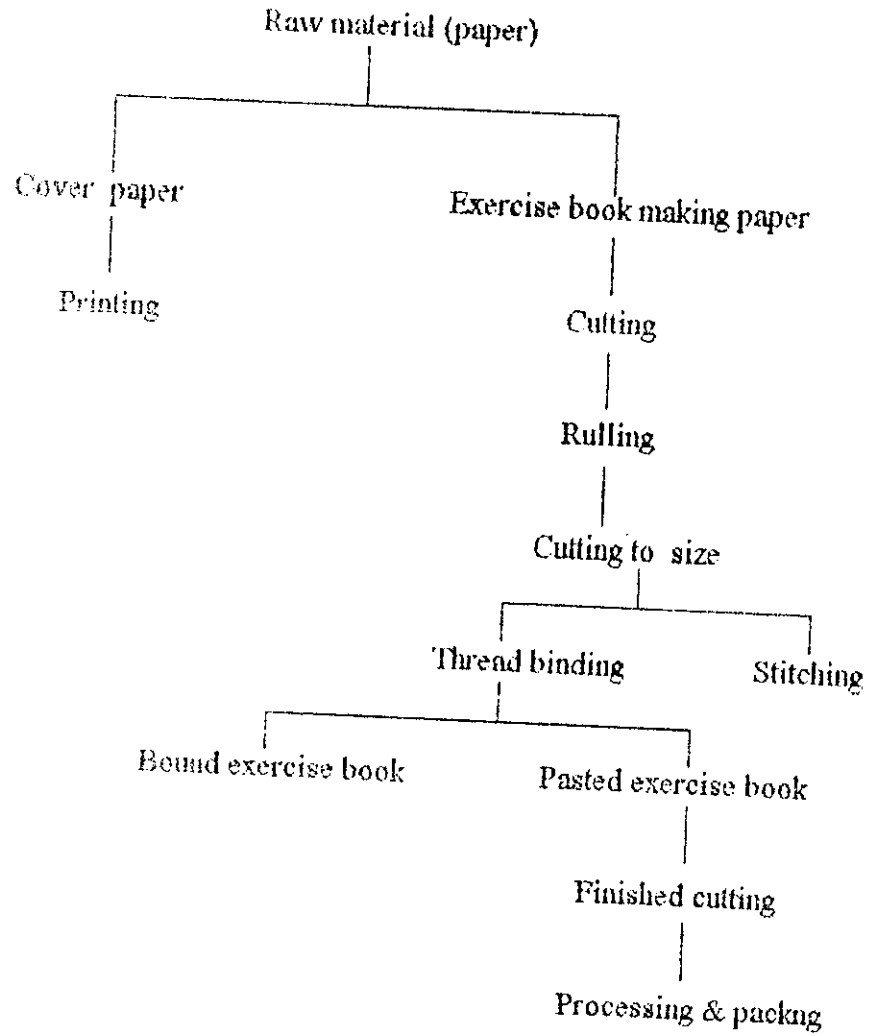
SISI, Imphal
Project Profile

— 1997

IIb. EXERCISE BOOKS

1. Nature of activity: To manufacture exercise books.
2. Importance: Exercise books and registers are essential items in present day education, science and commerce. Exercise books of different kinds are required in large numbers by school, college, technical institute and other government organisations. Similarly such items are also required in large quantities by business houses, commerce establishment and industrial organisation.
3. Market potential /Demand feasibility: The government is laying a great stress on child education and adult education. So a number of new schools, colleges, institute and other educational centres re being established every year. Specially in rural and backward areas of Manipur. With this demand for educational items including exercise books are likely to increase day by day considerably in the year to come. There are 4345 institution such as colleges, school, primary schools in Manipur. The demand of exercise book is very high in this state.

4. Process of manufacture:



Quality control and standard

ISI : 13075

ISI : 10522

5. Details of scheme:

A. Background information.

- i. Name of product : exercise book and by product if any
- ii. Type of unit : individual/Institution
- iii. estimate annual capacity : quantity - 250,000
value - 1,24,000
- iv. Estimated working day/annum : 300 days.
- v. Working hours in a day : 8 hours.
- vi. Type of raw material : please refer annexure IV
raw material - Rs. 4.27 lakhs.
packing material - Rs. 0.08 lakhs
- vii. Wastage if any : quantity - 598 kg. (5%)
value - Rs. 19,940.
- viii. Utilities (P.A.)
a) Number of unit = HP x PF x hrs. x days x % of utilisation of machine
= $10 \times 0.78 \times 8 \times 300 \times 0.7$
= 13119 units. (total charge @ Rs. 1.50%/unit is Rs. 27,178)
b) Water (P.A.) : Rs. 1,000/year.
c) Fuel (P.A.) : Nil
Total utilities = Rs. 28,178
- ix. Machinery & equipments : Rs. 1,35,000 (refer to annexur II)
- x. Where the working would be carried on : Imphal.
- xi. Workshed approx. area reqd. : refer to annexure I
a) Production hall (26"x41") : 1066 sq. ft.
b) Raw material store (12"x10") : 120 sq. ft.
c) Finished storage (10"x10") : 100 sq. ft.
d) Office (15"x10") : 150 sq. ft.
e) Toilet (10"x10") : 100 sq. ft.
- xii. Man-power required. : refer to annexur V-A
a) Technical : 4 nos.
b) Administrative : 5 nos.
c) Direct labour : 3 nos.

12 nos.

Total wages and saly Rs. 2,52,000/annum.

Working Capital Requirements

I Fixed working capital needs	: Amounts.
a) Salaries	: Rs. 2,16,000
b) Repair and maintenance	: Rs. 5,000
c) Administrative expenses (postage, stationery, etc)	: Rs. 4,000
d) Interest on term loan @16% p.a. (annexur X)	: Rs. 43,848
e) Insurance @1% on CE + 1 cycle turn over	: Rs. 10,994
	Rs. 2,79,842
Fixed working capital for one operating cycle.	Rs. 70,000

II. Variable working capital:

a) Wages	: Rs. 36,000
b) Interest on fixed W.C. @18%	: Rs. 50,044
c) Raw material	: Rs. 4,27,000
d) Packing material	: Rs. 8,000
e) Electricity & fuel	: Rs. 28,178
f) Other consumables	: Rs. 10,000
g) Transport	: Rs. 15,000

Rs. 5,74,222

Variable W.C. for one operating cycle is Rs. 1,43,556.

Total W.C. requirements:

- i. Fixed C.P. for 1 cycle = Rs. 70,000
- ii. Variable W.P. for 1 cycle = Rs. 1,43,556

Rs. 21,35,577

90% of Rs. 2,135,577 is Rs. 1,92,219 and would be bank loan.

Therefore margin money for W.C. = 2135577 - 192219

Depreciation				
S. No.	Particulars	Value	Depreciation%	Depreciation (Rs.)
1.	Workshop building	2,30,400	5%	11,520
2.	Machinery	1,20,000	10%	12,000
3.	Tools	15,000	20%	3,000
	Total	3,65,400		26,520

Cost analysis (80% utilisation)

Cost of production

i) Fixed Cost Rs. 2,22,500

ii) Variable Cost Rs. 5,59,578

Rs. 7,82,078

Material to be realised (80% of the total)

S. No.	Particulars	Quantity	Rate	Value (Rs.)
1.	No. 1 Exercise Book	80,000	@2/-	1,00,000
2.	No. 2 Exercise Book	60,000	@3/-	1,80,000
3.	No. 4 Exercise Book	50,000	@5/-	2,50,000
4.	No. 5 Exercise Book	50,000	@7/-	3,50,000
5.	No. 8 Exercise Book	40,000	@9/-	3,60,000
		2,50,000		12,40,000

Material surplus (Rs.)

12,40,000 - cost of production

= 12,40,000 - 7,82,078

= 4,57,922

Material surplus (Rs.)

4,57,922 - Gross surplus - (interest on T.L. + interest on W.C. loan)

= 3,52,565

VI. Disposable Surplus:(Rs.)

Net + Surplus + Depreciation

= 552065 + 26520

= 578585

This project can pay back term loan in 3 years even at a capacity utilisation of 80%.

RATIO ANALYSIS

(at 80% utilisation)

1. Debt Equity Ratio: (DER)

$$\frac{\text{Debt}}{\text{Equity}} = \frac{4.66}{1.56} = 2.5:1$$

2. Capital Employed Value of Output Ratio:

$$\frac{\text{FCI + WC}}{\text{Output}} = 0.55:1$$

3. Capital Employed to Net Value Employed Ratio:

$$\frac{\text{FCI + WC}}{\text{Net value}} = 1:1$$

4. Investment per Worker Ratio:

$$\frac{\text{FCI + WC}}{\text{Total no. of worker}} = 0.36 \text{ lakhs.}$$

5. Production per Worker:

$$\frac{\text{Output}}{\text{No. of worker}} = \frac{10.50}{15} = 0.7 \text{ Lakhs}$$

5. Ratio of Raw material to Value of out put

$$\frac{\text{Value of RM X 100}}{\text{Value of output}} = \frac{4.35}{10.50} \times 100$$

= 41.42%

6. NP Calculation

$$\text{NP} = \frac{\text{Fixed Cost}}{\text{Contribution}} \times 100$$

$$= \frac{2,22,500 \times 100}{\dots}$$

$$= 680,422$$

= 33.9%

(where contribution = sale price - variable cost = 6,80,422)

11. Identity and Raw Material Supply Address.

1. 21010 New Brothers (Graphics)
102 Bapla Bihari Ganguli Street,
Calcutta - 700 012
 2. 21011 National Printing Machinery Co.
111 Road, Paltan Bazar,
Calcutta - 781 003
 3. 21012 Modern Type Foundry
M.G. Avenue, Bapla 795 001
 4. 1075 International Trading Corporation
Babulcha, Calcutta - 700 079
- (Overseas Ltd)
1. 1076 ITC
Calcutta.
 2. 1077 Munjor Paper Works,
Tollygunj Industrial Estate,
Bapla - 795 001.
 3. 8278 New Life Paper Stationery
Prann Bazar, Bapla - 795 001.

Construction of Worked out / Godown:

Annexure I

Industry	Purpose for which the construction is proposed	Specification given by industry Director; location, area & capacity	Cost of construction per sq. ft.	Total Cost (Expensed) in Rs.	Time required for construction (in month)	Anticipated life of the assets in year	Depreciation total included cost of production	Certificate by Architect.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Exercise Book making Industry	Production	26 x 41	Rs. 150	Rs.23,04,000	3 months	20 Years	Rs.1,15,520 @5%/annum	
	Raw material Store	12 x 10						
	Finished Product Store	10 x 10						
	Office	15 x 10						
	Toilet	10 x 10						

Annexure - I
 Technical specifications for purchase of machinery

Sl. No.	Category	Machine	Technical specifications	Quantity	Year of supply	Year of operation	Year of support	Company	Estimated cost	Support	Warranty																	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)																	
Exercise Book Making Industry	Machinery	Ruling	Disc ruling M/C steel body single column 36" with accessories semi-automatic.	10 Years	Through Bank	Yes	Company machine available	Rs.40,000	1 Year	3 months	11																	
												Cutting	Paper cutting M/C size with 36" with accessories	5 years	"	"	"	"	"	2 month								
																					Stitching	Wire stitching M/C 12" thickness capacity	5 Years	"	"	"	"	2 month
Office Furniture	Hand tools & equipments.	3 Years	"	"	"	"	"	"	6 Year	1 month																		
											Rs.3,000	1 Year	2 month															
Rs.15,000	1 Year	1 month																										

1000' Impeller for motor, 1000'

1000' Impeller for motor, 1000'

Lead time available	Lead time required (from the day order placed)	Lead time required by customer	Quantity required	Quantity available	Quantity to be ordered	Quantity to be received
(12) 2 weeks	(13) 4 months	(14) 1 month	(15) Supply Method	(16) 1 HP	(17) Yt.	(18) 1 no.
3 weeks	"	"	"	2 HP	"	"
2 weeks	"	"	"	1.5 HP	"	"

Annexur III

Production (Quantity & Value)

Plant

Production

Exercise books : Exercise books
 : No. in lakhs.
 : Rs. in laks.

100% / 1st Year		70% / 2nd Year		80% / 3rd Year		90% / 4th Year		100% / 5th Year	
Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
2.18	10.9	2.50	12.40	2.5	2.8	3.12	31.2		

A. Estimated Production 2.50 lakhs.

B. Installed capacity 80%

C. Estimated = Rs. 12.40 lakhs

D. Estimated = Nil

E. Installed capacity = 80%

F. Administrative = 4 nos.
 G. Technical = 8 nos.

H. Estimated
 I. Estimated = 3 nos.

J. Estimated (8 nos.)
 K. Estimated Labour = Rs. 2,16,000
 L. Estimated Labour = Rs. 36,000

 Rs. 2,52,000

Annex IV
Raw Material

Industry	Type of raw material required	From where to be procured placed of distance from perfect place.	Qty. reqd. to one year	Min. qty. reqd. to keep work going.	Interval of supply	Mode of transport/ cost of transport	Cost per unit for raw material including transport tax	Total cost of raw material (Rs. in lakh)	Arrangement storage (specify any)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Exercise Book Making Industry	White paper (DFC, DC)	Whole sale dealer in Imphal, 2 H.P.C. at Garvhabti	96,000 kg	3200 kg.	Monthly	Road transport	Rs. 40/kg	3.84	No special storage
	Grey board card, board etc.	"	16,000 kg.	5333 kg.	"	"	Rs. 20/kg	0.32	
	Stitching wire,	"	60 kg.	20 kg.	"	"	Rs. 100/kg	0.06	
	ink, gum	"	10 litres	18 litres	"	"	Rs. 50/kg	0.03	
	Thread, cloth, etc	"	20 roles	67 kg	"	"	Rs. 12/role	0.02	
	Padding material	"	500 kg	167 kg	"	"	Rs. 15/kg	0.03	

Technical/Administrative Support For
The Project (From Direct Labour)

Category	Designation	Number	Pay scale (Rs.)	Total/month (Rs.)	Expected expense/year (Rs.)
A. Technical					
	Supervisor	1	2000-50-4000	2000	24,000
	Skilled worker	4	1500-40-2500	6000	72,000
	Unskilled	3	1000-20-1500	3000	36,000
		8			1,32,000
B. Administrative					
	Manager	1	5000-60-4500	3000	36,000
	Chief	1	1500-40-2500	1500	18,000
	Senior Inspector	1	1500-40-2500	1500	18,000
	Char. Officer	1	1000-20-1500	1000	12,000
		4			84,000
Total (A + B) - Rs. Rs. 2,16,000					

C. Direct Labour

Quantity of work envisaged in the unit.

Category of work	No.	Rate/day/unit	Mode of payment	Total/year	Days/week
Unskilled	3	40	Monthly	Rs. 36,000	6 days.

Grand Total Rs. 2,52,000.

Annexure X

Term Loan Requirement

Particular	Value (Rs.)	Margin %	Margin Money (Rs)	Term %	Loan Value
1. Fixed Capital					
2. 10% R.F.					
----- own -----					
1. Building	2,30,400	28%	57,600	75%	1,72,800
2. Furniture & machinery	1,20,000	28%	30,000	75%	90,000
3. Automobile	15,000	28%	3,750	75%	11,250
	3,65,400		91,530		2,74,050

Cost Analysis (at 80% utilisation)

Sl. No.	Fixed Cost	Rs.	Variable Cost	Rs.
1.	Depreciation	26,520	Raw Material	4,27,000
2.	Int. on F.F.	43,208	Packing Material	8,000
	Working Capital	43,599		
3.	Repairs & Maintenance	5,000	Consumable store	10,000
4.	Insurance	9,173	Power & water	1,000
5.	Labour Incentive Exp.	4,000	Fuel	27,000
6.	Overhead & wages	10,000	40% of wages	86,400
		Rs. 2,22,500		Rs. 5,59,578