PROJECT PROFILE

Product : Offset Printing Press (Job Work)

Product Code : 289018013

Quality and Standards : As per Customer’s Specifications

Production Capacity : i) Qty. = 1,50,000
                     ii) Value = 1,95,00,000

Month & Year of Preparation : March-2011

-: Prepared by :-

Micro, Small & Medium Enterprises
Development Institute,
Government of India, Ministry of MSME,
22 Godown, Industrial Estate,
Jaipur- 302005 (Rajasthan)
Phone : (0141) 2212098, 2213099
Telefax : (0141) 2210553
Email : dcdi-jaipur.dcmsme@nic.in
Web Site: www.sisijaipur.gov.in.
INTRODUCTION:-

Offset Printing is the latest method of Printing System in any language. The method of printing earlier days by rotary printing press in which the matter to be printed was to be first composed manually.

In offset printing, the matter which is to be printed is fed into the computer and after that with the of camera, it is exposed and film is prepared through chemicals and put into offset printing machine to take out the print. Offset printing method is the latest one where the quality is very fine in comparison to the previous method.

MARKT POTENTIAL

Today is the age of technology. Offset Printing Press is the example of new technology. The required material may be printed in minimum time with good other business activities is increasing day by day. The require stationery, books and other printed materials. Therefore Offset Printing Press has very good scope, particularly in urban semi urban areas.

BASIS AND PRESUMPTIONS

i) This Report is worked out the basis of 75% capacity utilization on single shift and 300 working days per annum.

ii) The machinery and equipment are of standard make.

iii) The cost of raw materials and other expenditure is approximate and based on current market rates.

Contd…2
iv) The period for achieving capacity utilization is estimated to be one year after commencement of production.

v) Interest rate for fixed and working capital has been calculated @ 12% per annum.

vi) Pay back period would commence after 12 months and repayment period is estimated as 3 years.

**IMPLEMENTATION SCHEDULE**

1. The entrepreneur has to arrive at a decision in order to select this product. The guiding factor in this regard would be the market potential, demand and supply gap and availability of resources. It may take 2 to 3 weeks time.

2. After selecting the product, the entrepreneur has to get E. M. Part-1 from DIC so that he can apply allotment of land, power etc. for which about one week time is required.

3. In order of obtain financial Institutions, like Commercial Banks or State Financial Corporations, a detailed Project Report is required to be prepared. On the basis of the Report, financial institutions may take 8 to 12 weeks time for sanctioning and disbursing the loan. Accordingly orders for purchase of raw materials is also to be finalized and recruitment of key staff is to be done. This would require 3 to 4 weeks time.

Contd….3
TECHNICAL ASPECTS

Process of Manufacture

Composing of matter which is to be printed is done on computer with the help of special software’s such as Corel Draw, Photo Shop, M.S. Office, page Maker etc. Thereafter a film is produced with the help of a camera. This film is called negative. The matter, which is to be printed, is taken on this film/negative.

The negative and a aluminium plate are put into the printing down frame/exposer. Before starting the exposer, the presetting of timer is done in the timer/watch. Generally is takes approx. 200 seconds for making positives. The time exposer is switched off automatically as soon as positive has been built up. The image developer is spread on the plate, which is called positive. After that the developer is spread on the plate followed by washing with the fresh water. During this process, the matter gets printed on the plate automatically. Thereafter, the aluminium plate is fitted in the offset printing press. This plate is called P.S. Plate, when it is used for first time and thereafter it is called Y-Pon Plate. The papers are cut on Paper Cutting Machine.

Then the papers are fed one by one into Offset Printing Press. Generally the capacity of Offset Printing Press is 4000 impressions per hour.

Contd....4
QUALITY CONTROL AND STANDARDS
As per Customer’s requirements.

PRODUCTION CAPACITY (PER ANNUM)

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,44,000 Nos.</td>
<td>Rs. 1,44,00,000</td>
</tr>
</tbody>
</table>

(Magazine/ Souvenir)

MOTIVE POWER

POLLUTION CONTROL
The manufacturing activity does not any pollution as such no special pollution measures are required.

FINANCIAL ASPECTS

A. Fixed Capital

(i) Land & Building
Covered Area 200 Sq. Mtrs. (Rented) Rs. 10,000/-

(II) Machinery & Equipment

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Description</th>
<th>Indigenous /Imported</th>
<th>Qty. (Nos.)</th>
<th>Total (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Off Set Printing Machine Size 18 X 25” Single Colour with 5 HP Dominent Make</td>
<td>Ind.</td>
<td>1</td>
<td>10,00,000/-</td>
</tr>
<tr>
<td>2.</td>
<td>Computer with Printer and Software’s</td>
<td>Ind.</td>
<td>1</td>
<td>65,000/-</td>
</tr>
</tbody>
</table>

Contd…..5
3. **Printing Down Frame/ Exposer size 23 X 36 " ( Make-Memory)**

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Quantity</th>
<th>Rate (in Rs.)</th>
<th>Amount (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ind.</td>
<td>1</td>
<td>80,000/-</td>
</tr>
</tbody>
</table>

4. **Paper cutting Machine Size 23 X 36 " , 2 HP**

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Quantity</th>
<th>Rate (in Rs.)</th>
<th>Amount (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ind.</td>
<td>1</td>
<td>16,00,000/-</td>
</tr>
</tbody>
</table>

5. **Paper Cresing M/c**

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Quantity</th>
<th>Rate (in Rs.)</th>
<th>Amount (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ind.</td>
<td>1</td>
<td>12,000/-</td>
</tr>
</tbody>
</table>

6. **Paper Stapler M/c**

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Quantity</th>
<th>Rate (in Rs.)</th>
<th>Amount (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ind.</td>
<td>1</td>
<td>10,000/-</td>
</tr>
</tbody>
</table>

7. **Binding and Measuring Equipment**

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Quantity</th>
<th>Rate (in Rs.)</th>
<th>Amount (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ind.</td>
<td>-</td>
<td>8,000/-</td>
</tr>
</tbody>
</table>

Electrification and Installation Charges @ 1

13,35,000/-

Office Furniture and Equipment = 75,000

Total

15,43,500/-

(iii) **Pre- Operative Expenses**

10,000/-

Total Fixed Capital

15,53,500/-

**C. Working Capital ( Per Month)**

(i) **Personnel**

<table>
<thead>
<tr>
<th>S/No.</th>
<th>Designation</th>
<th>Nos.</th>
<th>Salary (in Rs.)</th>
<th>Amount (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Manager/ Supervisor</td>
<td>1</td>
<td>8,000/-</td>
<td>8,000/-</td>
</tr>
<tr>
<td>2</td>
<td>Skilled Workers</td>
<td>1</td>
<td>6,000/-</td>
<td>6,000/-</td>
</tr>
<tr>
<td>3</td>
<td>Unskilled Workers</td>
<td>1</td>
<td>5,000/-</td>
<td>5,000/-</td>
</tr>
<tr>
<td>4</td>
<td>Accountant- cum- Typist (Part time)</td>
<td>1</td>
<td>5,000/-</td>
<td>5,000/-</td>
</tr>
<tr>
<td>5</td>
<td>Watchman/Poen</td>
<td>1</td>
<td>4,000/-</td>
<td>4,000/-</td>
</tr>
</tbody>
</table>

Add. Perquisties @ 15%

4,200/-

Total Rs.

Say

32,200/-

Contd....6
(ii) Raw Material (Per month)

<table>
<thead>
<tr>
<th>S/No.</th>
<th>Particulars</th>
<th>Qty.</th>
<th>Rate(Rs.)</th>
<th>Value(Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Art paper size 23 X 36 “</td>
<td>500</td>
<td>2,700/-</td>
<td>13,50,000/-</td>
</tr>
<tr>
<td></td>
<td>Ream</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Card Sheet</td>
<td>1500</td>
<td>14</td>
<td>21,000/-</td>
</tr>
<tr>
<td>3.</td>
<td>Aluminium Plate</td>
<td>2 Nos.</td>
<td>300</td>
<td>600/-</td>
</tr>
<tr>
<td>4.</td>
<td>Ink</td>
<td>1Kg.</td>
<td>600/-</td>
<td>600/-</td>
</tr>
<tr>
<td>5.</td>
<td>Developer</td>
<td>3 Kg.</td>
<td>225/-</td>
<td>675/-</td>
</tr>
<tr>
<td>6.</td>
<td>Gum</td>
<td>4 Kg.</td>
<td>150/-</td>
<td>600/-</td>
</tr>
<tr>
<td>7.</td>
<td>Multi Colour</td>
<td>L.S.</td>
<td>-</td>
<td>4,000/-</td>
</tr>
<tr>
<td>8.</td>
<td>Staple Pin etc.</td>
<td>L.S.</td>
<td>-</td>
<td>5,00/-</td>
</tr>
</tbody>
</table>

Total Rs.  13,77,975
Say Rs.    13.78,000

(iii) Utilities (Per Months)

<table>
<thead>
<tr>
<th>(a)</th>
<th>Electirc Power @ 4.50 Per unit</th>
<th>13 H.P.</th>
<th>7,000/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b)</td>
<td>Water Charges</td>
<td>L.S.</td>
<td>6,00/-</td>
</tr>
</tbody>
</table>

Total 7,600/-

Contd.....7
(iv) Other Contingent Expenses (Per Month)

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>10,000/-</td>
</tr>
<tr>
<td>Processing charges of Cover Page Design</td>
<td>4,000/-</td>
</tr>
<tr>
<td>Transportation Charges</td>
<td>3,000/-</td>
</tr>
<tr>
<td>Postage &amp; Stationery</td>
<td>2,000/-</td>
</tr>
<tr>
<td>Telephone</td>
<td>3,000/-</td>
</tr>
<tr>
<td>Publicity</td>
<td>1,000/-</td>
</tr>
<tr>
<td>Insurance and Taxes</td>
<td>2,000</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>2,000/-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27,000/-</strong></td>
</tr>
</tbody>
</table>

(v) Total Recurring Expenditure (Per Month)

(i) + (ii) + (iii) + (iv) = 14,44,800/-

(vi) Total Working Capital for 3 Months

= 3 X 14,44,800

= 43,34,400/-

D. Total Capital Investment

(i) Fixed Capital = 15,53,500/-

(ii) Working Capital (for three months) = 43,34,400/-

Total: = 58,87,900/-

Contd…..8
FINANCIAL ANALYSIS

(1) Cost of Production (Per Year)

- Recurring Expenditure 1,73,37,600/-
- Depreciation on Machinery & Equipment 13,35,000/-
  @ 10%
- Depreciation on Office Furniture & Equipment 15,000/-
  @ 20%
- Interest on Total Capital Investment @ 12% 7,06,548/-

  Total : 1,81,92,648/-
  Say : 1,81,93,000/-

(2) Turnover (Per Year)

<table>
<thead>
<tr>
<th>Item</th>
<th>Qty.</th>
<th>Rate (Rs.)</th>
<th>Value (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magazine/ Souvenir</td>
<td>1,50,000/-</td>
<td>130/-</td>
<td>1,95,00,000/-</td>
</tr>
</tbody>
</table>

(3) Net Profit (Per Year) (Before Taxation)

Annual Profit = Turnover – Cost of Production

= 1,95,00,000 - 1,81,93,000

= 13,07,000/-

(4) Net Profit Ratio

= Net Profit Per Year X 100

-------------------------------
  Turnover per year

= 113,07,000 X 100

-------------------------------
  1,95,00,000

= 6.7 %

Contd....9
(5) Rate of Return
\[
\text{Rate of Return} = \frac{\text{Net Profit Per Year} \times 100}{\text{Total Capital Investment}}
\]
\[
= \frac{13,07,000 \times 100}{58,87,900} = 22.19\%
\]

(6) Break – Even Point

Fixed Cost

- Rent: 1,20,000/-
- Depreciation on Machinary & Equipments: 1,33,500/-
- Interest on Total Capital Investment @ 12%: 7,06,548/-
- 40% of Salary and Wages: 1,54,560/-
- 40% of Other Contingent Expenses: 1,29,600/-

Total: 12,44,200/-

B.E.P = \frac{\text{Fixed Cost} \times 100}{\text{Fixed Cost} + \text{Annual Profit}}

\[
= \frac{12,44,200 \times 100}{12,44,200 + 13,07,000}
\]
\[
= \frac{12,44,200 \times 100}{2551200} = 48.76\%
\]
ADDRESSES OF MACHINERY AND EQUIMENTS SUPPLIERS

1. M/s Speedographics India Ltd, Indi. Area, Rajaji Nagar, Bangalore.