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PROJECT REPORT

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PROJECT:

Corrugated Boxes Unit

PROJECT REPORT

Of

CORRUGATED BOXES

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Corrugated Boxes**

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

CORRUGATED BOXES



1. INTRODUCTION

Corrugated cardboard is generally used to make packing or shipping containers. Though there are various other types of cardboard boxes available, corrugated cardboard boxes are the most suitable for maintaining the safety of the object it is carrying, especially for long distance shipping purposes. This is because they are made of corrugated paper, manufactured from fiber and is sandwiched by cardboard. This setup makes it very sturdy and ensures the delivery of the articles that it is carrying with zero damage. While some corrugated boxes are made out of plastic, the majority is limited to paper. Corrugated boxes confirm safety and protection of the product being shipped. It also offers durability, cost effectiveness, lightness, strength and recyclability which make it an ideal choice for merchandising and marketing of goods with ease. They are also known to have a good stacking strength. Stacking strength refers to the pressure that is formed during stacking. This is a great advantage for transportation. The stacking strength of the corrugated box also plays a vital role in providing crush resistance and product protection.

Corrugated is made of paper and has an arched layer, called "fluting," between smooth sheets, called "liner." This arched layer provides corrugated with a very high strength-to-weight ratio.

The corrugated most commonly used to make boxes has one layer of fluting between two smooth sheets. But there are many types of corrugated available, each with different flute sizes and thicknesses.

Corrugated Paper boxes are extensively used in the packaging of industrial as well as consumer goods. In some of products like crockery, electronic items, automobile components, glass and cigarettes, pharmaceuticals, soaps & cosmetics, biscuits, hosiery, toys, rubber & rubber products, refrigerator, cooler & fans, proper type of packaging becomes very important.

2. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY

With the steady rise in the industrial production, the demand for corrugated paper boxes increasing every year. These boxes have got distinct advantages such as light in weight, easy to fabricate as per required specifications. The corrugated papers and boards may also find market in the rural areas for packing of fruits, vegetables & eggs.

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	2.48	2.48	2.48	2.48	2.48
Retained Profit	3.11	7.81	14.57	23.75	35.21
Term Loan	14.99	11.24	7.49	3.75	-
Cash Credit	7.37	7.37	7.37	7.37	7.37
Sundry Creditors	0.84	1.01	1.18	1.34	1.51
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	29.14	30.31	33.52	39.17	47.10
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	16.15	16.15	16.15	16.15	16.15
Gross Dep.	2.37	4.42	6.15	7.63	8.89
Net Fixed Assets	13.78	11.73	10.00	8.52	7.26
Current Assets					
Sundry Debtors	4.31	5.40	6.31	7.21	8.12
Stock in Hand	4.72	5.66	6.60	7.55	8.49
Cash and Bank	3.34	4.22	6.99	11.90	18.85
Deposits & Advances	3.00	3.30	3.63	3.99	4.39
TOTAL :	29.14	30.31	33.52	39.17	47.10

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PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	2.48	-			
Reserve & Surplus	3.11	5.23	8.44	11.48	14.33
Depreciation & Exp. W/off	2.37	2.04	1.74	1.48	1.26
Increase in Cash Credit	7.37	-	-	-	-
Increase In Term Loan (New)	14.99	-	-	-	-
Increase in Creditors	0.84	0.17	0.17	0.17	0.17
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
TOTAL :	31.52	7.48	10.39	13.17	15.81
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	16.15	-	-	-	-
Increase in Stock	4.72	0.94	0.94	0.94	0.94
Increase in Debtors	4.31	1.09	0.91	0.91	0.91
Increase in Deposits & Adv	3.00	0.30	0.33	0.36	0.40
Repayment of Term Loan (New)	-	3.75	3.75	3.75	3.75
Taxation	-	0.52	1.69	2.30	2.87
TOTAL :	28.18	6.60	7.62	8.26	8.86
Opening Cash & Bank Balance	-	3.34	4.22	6.99	11.90
Add : Surplus	3.34	0.87	2.77	4.91	6.94
Closing Cash & Bank Balance	3.34	4.22	6.99	11.90	18.85

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>A) SALES</u>					
Gross Sale	61.56	77.11	90.07	103.03	115.99
Total (A)	61.56	77.11	90.07	103.03	115.99
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	36.00	43.20	50.40	57.60	64.80
Electricity Expenses	5.27	6.33	7.38	8.44	9.49
Repair & Maintenance	-	0.77	0.90	1.03	1.16
Labour & Wages	7.78	8.55	9.41	10.35	11.38
Depreciation	2.37	2.04	1.74	1.48	1.26
Consumables and Other Expenses	1.23	1.54	1.80	2.06	2.32
Cost of Production	52.65	62.44	71.63	80.96	90.42
Add: Opening Stock /WIP	-	2.92	3.50	4.08	4.67
Less: Closing Stock /WIP	2.92	3.50	4.08	4.67	5.25
Cost of Sales (B)	49.74	61.85	71.05	80.37	89.83
C) GROSS PROFIT (A-B)	11.82	15.26	19.02	22.66	26.16
	19%	20%	21%	22%	23%
D) Bank Interest (Term Loan)	1.29	1.56	1.13	0.70	0.27
Bank Interest (C.C. Limit)	0.74	0.74	0.74	0.74	0.74
E) Salary to Staff	4.22	4.65	5.11	5.62	6.18
F) Selling & Adm Expenses Exp.	2.46	3.08	3.60	4.12	4.64
TOTAL (D+E)	8.72	10.03	10.58	11.18	11.83
H) NET PROFIT	3.11	5.23	8.44	11.48	14.33
I) Taxation	-	0.52	1.69	2.30	2.87
J) PROFIT (After Tax)	3.11	4.71	6.75	9.18	11.46

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