

# **Trading of Sustainable Gift Packaging**



## Trading of Sustainable Gift Packaging

### 1. Introduction

The proposed venture aims to establish a trading unit focused on sourcing, aggregating, and distributing sustainable gift packaging products in Uttarakhand. These products will include eco-friendly gift boxes, bags, wrapping papers, ribbons, fillers, and tags made from recycled paper, jute, bamboo fibre, cotton, and other biodegradable materials. The venture will operate as a supply hub, connecting green packaging manufacturers from across India with retailers, corporate buyers, tourism businesses, and individual consumers in Uttarakhand.

Currently, most gift packaging in the state is either imported from other states or consists of plastic-based materials that are non-biodegradable. By offering a curated range of sustainable alternatives, this unit will reduce plastic waste and promote conscious consumerism. It will cater to the rising demand from tourism-based businesses, handicraft sellers, and hospitality chains seeking eco-friendly packaging solutions to align with their sustainability branding.

This trading model will operate on low fixed capital with fast inventory turnover. It will maintain a steady stock of assorted sustainable packaging products, supported by robust vendor relationships, storage facilities, and logistics networks. The aim is to make eco-packaging easily accessible and affordable to both urban and rural markets in Uttarakhand while generating local employment opportunities.

### 2. Industry Overview

India's packaging industry is one of the fastest-growing in the world, driven by growth in e-commerce, retail, and consumer goods. Within this, the sustainable packaging segment is witnessing rapid expansion due to regulatory bans on single-use plastics and rising consumer preference for eco-friendly products. The sustainable packaging market in India is expected to grow at over 25% CAGR in the coming years.



Gift packaging forms a large sub-segment of the packaging industry, driven by increasing gifting culture, weddings, festivals, and corporate events. Premium and custom packaging are gaining traction as businesses look to differentiate their products. Sustainable gift packaging, made from recycled and biodegradable materials, has emerged as a niche yet fast-growing segment.

In Uttarakhand, demand for sustainable gift packaging is rising from hotels, resorts, handicraft units, organic product brands, and event planners. However, most of these products are currently sourced from Delhi, Jaipur, or Mumbai, leading to high costs and delays. Establishing a local trading hub can bridge this supply gap and tap into the expanding demand.

### 3. Products and Application

The unit will deal in a wide range of sustainable gift packaging products such as recycled paper gift boxes, jute and cotton fabric gift bags, kraft paper wrapping sheets, compostable ribbons, bamboo fibre trays, plantable paper tags, and shredded paper fillers. These products will be sourced from certified eco-friendly manufacturers and supplied to customers in assorted sizes, colours, and custom branding options.

Applications of these products are extensive. Hotels and resorts use eco-friendly packaging for guest hampers and welcome kits. Handicraft and organic product sellers use them for retail packaging. Event planners and corporate houses use custom eco-gift boxes for weddings, festivals, and brand promotions. Sustainable packaging also appeals to eco-conscious individual consumers for personal gifting.

Future product lines can include reusable packaging kits, collapsible boxes, seed paper greeting cards, and packaging with embedded QR codes for product stories. Maintaining a diverse inventory will allow the unit to serve multiple sectors and seasonal peaks efficiently.

### 4. Desired Qualification

The venture suits entrepreneurs with backgrounds in commerce, design, or retail supply chain management. However, local youth with basic business skills can also operate it after training in inventory handling and vendor coordination. Understanding customer needs, packaging trends, and bulk procurement practices is important.



Entrepreneurs should undergo training in sustainable materials, packaging quality standards, and BIS/FSSAI compliance for food-grade packaging. Support can be taken from District Industries Centre, MSME Development Institute, and design incubation centres. Familiarity with branding and e-commerce can help expand the market reach.

Basic knowledge of accounting, GST compliance, and logistics planning will be necessary. Soft skills like negotiation, relationship management, and digital marketing are also important for success in this trading business.

## **5. Business Outlook and Trend**

The outlook for sustainable gift packaging is highly positive due to increasing environmental awareness and policy push against plastics. Consumers are willing to pay premiums for eco-friendly packaging, especially in the premium retail and tourism sectors. Corporates are adopting sustainable packaging as part of their ESG and CSR goals.

In Uttarakhand, the tourism and hospitality sectors are rapidly adopting sustainable practices, increasing demand for eco-packaging. The gifting culture during weddings, festivals, and events further drives market potential. Handicraft and local product brands are looking for sustainable packaging to enhance their brand appeal.

E-commerce and digital marketplaces are boosting demand for aesthetically designed eco-packaging that ensures safe shipping. This trend is expected to accelerate, offering long-term growth prospects for the proposed unit.

## **6. Market Potential and Market Issues**

The market potential for sustainable gift packaging in Uttarakhand spans hotels, resorts, handicraft units, local product brands, event planners, and retail stores. Even capturing a small share of the packaging needs of these sectors can generate significant turnover. The market will also grow as more businesses shift from plastic to eco-friendly materials.

However, challenges include ensuring consistent supply of diverse packaging products, managing higher upfront costs compared to plastic packaging, and convincing price-sensitive buyers of the value proposition. Seasonal fluctuations in demand during festivals and weddings can cause inventory management challenges.



Awareness-building among small retailers and SHGs about the benefits of sustainable packaging will be necessary. Logistics costs from distant suppliers can affect competitiveness, highlighting the need for local stocking.

## **7. Raw Material and Infrastructure**

The raw material for this venture will be finished sustainable packaging products sourced from reputed manufacturers across India, including recycled paper mills, jute cooperatives, and handicraft-based packaging firms. Local vendors will be developed over time to reduce lead times.

Infrastructure requirements include a warehouse of around 2000 sq. ft. with racks, bins, weighing scales, and a packaging section for custom labelling. An office space with computers and ERP software will manage orders, inventory, and billing. Fire safety and pest control systems will be installed to maintain product quality.

Logistics support will be set up through delivery vans or tie-ups with local transporters. A small design counter can be set up for offering customization services like logo printing and gift wrapping assembly.

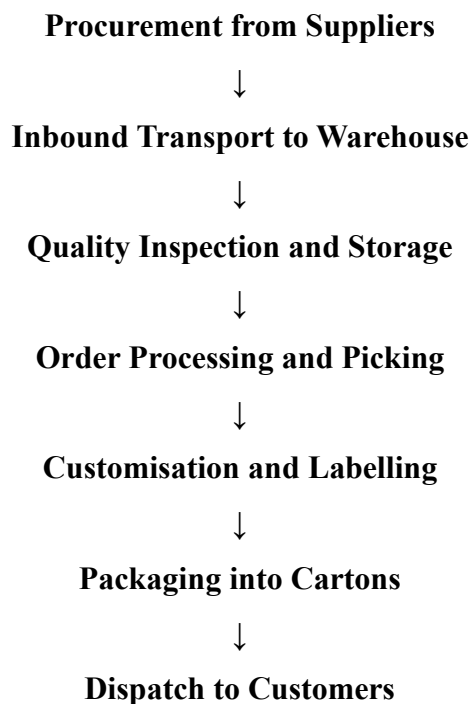
## **8. Operational Flow and Flow Chart**

The operational flow starts with demand forecasting and procurement planning. Bulk packaging materials will be ordered from suppliers and received at the warehouse. On arrival, they will be inspected, categorised, and stored on racks.

Customer orders will be processed daily, and products will be picked, labelled, customised if required, and packed into cartons. Dispatches will be scheduled through in-house or third-party logistics. Inventory and sales will be updated in ERP software.

This system ensures efficient stock rotation and timely deliveries.



**Flow Chart:**

## 9. Target Beneficiaries

Primary beneficiaries will be local hotels, resorts, handicraft units, and event planners who will get assured access to eco-friendly packaging products. This will help them align with sustainability goals and improve their brand image.

Secondary beneficiaries include local youth and women employed in warehouse, packaging, and delivery operations. Printers, designers, and logistics vendors will also gain business from this venture. SHGs making eco-packaging can be integrated as suppliers.

The wider economy will benefit through local value chain development, tax revenues, and reduced dependence on plastic-based imports from other states.



## 10. Suitable Locations

Suitable locations for the trading unit include Dehradun, Haldwani, Rudrapur, and Haridwar due to their connectivity, warehousing availability, and proximity to major tourism and retail hubs. These cities also provide access to skilled workforce and support services.

Satellite stocking points can be set up in Mussoorie, Nainital, Rishikesh, and Almora to serve local hospitality and tourism markets quickly. Industrial estates in Pantnagar and Selaqui offer ready-built sheds for quick setup.

Being close to NCR markets allows access to large institutional buyers and reduces logistics costs. Availability of banks, design centres, and printing vendors makes these locations ideal.

## 11. Manpower Requirement

Initially about 20 people will be needed including procurement executives, warehouse handlers, packaging staff, sales executives, delivery drivers, and office assistants. Supervisory roles will include a warehouse manager and marketing coordinator.

Local youth and women can be trained in inventory management, custom packaging, and ERP software. Safety and quality handling training will be provided regularly. SHGs can be engaged in assembling gift boxes and wrapping kits.

As the venture scales, additional staff can be recruited for regional sales, design services, and e-commerce order handling. Performance incentives will help retain skilled workers.



## 12. Implementation Schedule

Activity	Timeline (Months)
DPR preparation and registration	0–2
Warehouse site selection and setup	2–4
Equipment procurement and installation	3–5
Recruitment and training of staff	3–6
Supplier contracts and logistics tie-ups	4–6
Branding and marketing launch	5–7
Commercial trading start	6–8
Market expansion and e-commerce launch	9–12

## 13. Estimated Project Cost

Cost Head	Amount (INR)
Warehouse setup and racks	8,00,000
Material handling equipment	2,50,000
Initial stock procurement	12,00,000
Delivery vehicle or logistics tie-up	4,00,000





Cost Head	Amount (INR)
Branding and marketing	3,00,000
Salaries and wages (1 year)	7,00,000
Utilities and overheads	2,50,000
Contingency and miscellaneous	3,00,000
Total Estimated Cost	42,00,000

## 14. Means of Finance

The project can be financed through 25% promoter equity, 60% term loan, and 15% subsidy under PMEGP or MSME policies. Working capital can be raised through cash credit or invoice financing from banks.

Private investors and CSR grants supporting sustainable businesses can be approached. E-commerce platforms sometimes offer inventory financing which can be explored. Internal accruals from operations can support stock expansion over time.

Maintaining proper accounts and GST compliance will improve bankability and ease access to future finance. A blended financing approach will reduce risk and ensure liquidity.

## 15. Revenue Streams

Primary revenue will come from sales of sustainable packaging to hotels, resorts, handicraft units, event planners, and retailers. Institutional contracts will provide steady bulk orders and repeat business.

Secondary revenue can come from offering custom printing, branding, and packaging design services. Premium pricing can be charged for curated packaging sets during festive seasons and weddings.



Selling through e-commerce platforms can generate direct-to-consumer revenue. Selling packaging waste or offcuts to recycling vendors can also provide minor income.

## 16. Profitability Streams

Profitability will improve as bulk procurement reduces costs and institutional contracts ensure predictable cash flows. Premium positioning as eco-packaging allows 30–40% price markups.

Customisation services and festive packaging can earn higher margins than standard products. Lean warehousing and fast inventory turnover will reduce holding costs and improve profitability.

Over time, establishing own small packaging assembly units can reduce outsourcing costs and increase margins further. E-commerce will offer higher margins compared to wholesale channels.

## 17. Break-even Analysis

Parameters	Estimate
Initial Investment	INR 42,00,000
Average Price per Packaging Unit	INR 60
Average Monthly Sales Target	40,000 units
Monthly Revenue	INR 24,00,000
Break-even Period	20–22 months



## 18. Marketing Strategies

Marketing will focus on branding the products as sustainable, aesthetic, and locally available. Digital campaigns on social media, WhatsApp, and B2B portals will target institutional buyers.

Offline strategies will include participation in MSME expos, craft fairs, and hotel supplier meets. Direct sales teams will visit hotels, resorts, and handicraft shops to onboard them as clients.

Eco-branding, storytelling about artisans, and attractive displays will build consumer trust. Loyalty schemes, volume discounts, and fast delivery will ensure customer retention.

## 19. Machinery Required and Vendors

Equipment	Quantity	Purpose	Suggested Vendors/Location
Racks and Bins	25 sets	Storage of packaging products	Rudrapur industrial suppliers
Weighing Scales	3	Measuring incoming and outgoing stock	Dehradun equipment markets
Hydraulic Trolleys	2	Material handling	Haridwar MSME tool suppliers
Strapping and Labelling Machine	2	Bundling and custom branding	Selaqui equipment vendors
ERP Inventory Software	1	Stock and billing management	Dehradun IT vendors



## 20. Environmental Benefits

This venture promotes the use of biodegradable and recyclable packaging materials, reducing plastic waste and pollution. It encourages sustainable production practices and demand for green products. Sourcing from eco-certified vendors ensures resource-efficient manufacturing.

Local stocking reduces transport emissions compared to importing small lots from other states. Reusing offcuts and recycling damaged stock will minimise waste. Promoting reusable packaging like cloth bags and bamboo trays supports circular economy principles.

By increasing adoption of sustainable packaging, the project contributes to Uttarakhand's environmental protection goals and enhances the state's image as an eco-conscious tourism destination.

## 21. Future Opportunities

Future opportunities include setting up own eco-packaging assembly and custom design units. Exporting curated gift packaging kits to resorts and boutiques abroad can be explored. Collaborations with e-commerce platforms can open national markets.

Adding related products like sustainable stationery, hampers, and gift accessories can expand the portfolio. Offering subscription packaging services to brands can ensure recurring revenues.

In the long run, the venture can evolve into a full-fledged green packaging hub in Uttarakhand, supporting multiple MSMEs and SHGs and positioning the state as a leader in sustainable lifestyle products.



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