BOTTLE CAPS

I. INTRODUCTION:

The unit envisages producing plastic caps for bottles and jars by compression moulding. Thermosetting material like PF / UP is used to manufacture bottle caps. A plastic moulding unit to manufacture bottle caps can be started anywhere as there is good demand for bottle caps. The unit can also manufacture other moulded plastic products after assessing the demand for the product

II. MARKET POTENTIAL

Plastic bottle caps find extensive use for bottles used in packaging cosmetics, drugs, chemicals, adhesives, toffees, etc. These caps can with stand corrosive chemicals and are available in attractive colours at low cost. Gradually, the demand is more for packing the products in attractive plastics containers to appeal the customers. Therefore bottle caps would be in growing demand for such containers. A small unit can manufacture the caps with indigenously available machinery and raw material.

III. BASIS AND PRESUMPTIONS:

Presumed the unit will work for 8 hours a day for 300 days in a year and shall utilise 60% of the installed capacity of 850000 nos. of caps per annum

IV. IMPLEMENTATION SCHEDULE:

The unit can be set up in two months time

V. TECHNICAL ASPECTS :

1. Process of Manufacturing:

Thermosetting material like PF/UP moulding powder is put into the cavities of pre-heated mould and pressed between the two platens of the press. Hydraulic type compression moulding process is used. The combined effect of heat and pressure cause cross-linking in the material which fills the cavity of the mould and hardens. After a certain time the mould is opened and the mouldings are removed.

2.Quality Specification :

Quality and design of the product is as per the customer’s requirement and the end use of the product.

3.Production Capacity per annum

Quantity: 510000 no.

Value: Rs.765000

4.Motive Power

3 HP

VI. TOTAL CAPITAL INVESTMENTS

S.No	Description	Value Rs.
1	Fixed Capital	87000
2	Working capital	54250
	Total cost	**141250**

VII. MEANS OF FINANCE

1.Promoter's Contribution (5% of total cost) 7063
2.PMRY subsidy (15% of total cost or Rs.7500,whichever is less) 7500
3.Bank loan[total cost-(Promoter's Contribution+ PMRY subsidy) 126687

VIII. FINANCIAL ASPECTS

1. FIXED CAPITAL

i)Land & Buildings :500 sft. covered area with a rent of Rs.1250 pm

ii) Machinery & Equipment

S.No	Description	Quantity	Value Rs.
1	Hydraulic Thrmosetting moulding press with ejection - 3HP Motor	1	60000
2	Set of Moulds		15000
3	Hand tools		3000
4	Installation charges		6000
5	Misc. fixed assets		2000
6	Pre-operative expenses		1000
	Total		**87000**

2. WORKING CAPITAL

i.Staff & Labour per month

S.No	Designation	No	@ Rs.	Value Rs.
1	Manager	1	1500	1500
2	Skilled worker	2	1250	2500
3	Unskilled worker	2	1000	2000
	Total			**6000**

ii)Raw Material (p.m.)

S.No	Description	Quantity	Value Rs.
1	Moulding powder-thermosetting material	250 kg.	35250
	Total		**35250**

iii. Utilities per month

S.No.	Description	Value Rs.
1	Power	1000
2	Water	250
	Total	**1250**

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iv.Other expenses per month

S.No	Description	Value Rs.
1	Packing Materials	2500
2	Postage, telephone, stationery	2000
3	Conveyance, transport	6000
	Total	**10500**

v.Total working capital per month

S.No	Description	Value Rs,.
1	Rent	1250
2	Staff and labour	6000
3	Raw materials	35250
4	Utilities	1250
5	Other expenses.	10500
	Total	**54250**

IX. COST OF PRODUCTION PER ANNUM

S.No	Description	Value Rs.
1	Total working capital	651000
2	Depreciation	8600
3	Interest	21188
	Total	**680788**

X. TURNOVER PER YEAR

S.No	Item	Quantity	Rate Rs.	Value Rs.
1	Caps	51000 nos	15	765000
	Total			**765000**

XI. FIXED COST PER YEAR

S.No	Description	Value Rs.
1	Depreciation	8600
2	Interest	21188
3	Rent	15000
4	40% of salaries & wages	28800
5	40% of other expenses (utilities + OE)	56400
	Total	**129988**

XII. PROFIT ANALYSIS

Net Profit : sale-total cost=765000-680788 =84212
% of Profit on Sale: Profit / Sale x100=[84212/765000]100=11%
% of Return on Investment: Profit / (Investment) x 100=84212/141250]100=59.62
Break-Even Analysis : FC / (FC+Profit) x100=129988/129988+84212]100=60.7

XIII. MACHINERY SUPPLIERS & RAW MATERIAL SUPPLIERS

Locally available