

HOLLOW PLASTIC CONTAINERS

I. INTRODUCTION:

Hollow plastic containers can be manufactured by blow moulding techniques. These have a good demand since they are cheap, attractive and possess utility value. Thermoplastic materials like PVC, High and low density polythene, polypropylene etc. are used for the manufacture of blow moulded products.

II. MARKET POTENTIAL

There is a good demand for these products due to the properties of plastic like low weight, good durability, availability of desired colour, water-resistant etc.

III. BASIS AND PRESUMPTIONS:

The unit will work for 8 hours a day and for 300 working days in a year.

The cost of utilities is assumed at the old tariff.

IV. IMPLEMENTATION SCHEDULE:

The unit can be set up in 6 months

V. TECHNICAL ASPECTS:

1.Process of Manufacturing:

thermoplastic materials like PVC, High and low density polypropylene granules are fed into the blow moulding machine. By applying heat and pressure definite shape is formed as per the mould used.

2.Quality Specification

As per the customer's order

3.Production Capacity per annum

Quantity: 5250 kgs

Value: Rs. 630000

4.Motive Power

2 HP

VI. TOTAL CAPITAL INVESTMENTS

S.No	Description	Value Rs.
1	Fixed Capital	75000
2	Working capital	48950
	Total cost	123950

VII. MEANS OF FINANCE

1.Promoter's Contribution (5% of total cost)	6198
2.PMRY subsidy (15% of total cost or Rs.7500,whichever is less)	7500
3.Bank loan[total cost-(Promoter's Contribution+ PMRY subsidy)	110252

VIII. FINANCIAL ASPECTS

1. FIXED CAPITAL

i) **Land & Buildings** : Rented premises of 120 sft. at a rent of Rs.1000 pm

ii) Machinery & Equipment

S.No	Description	Quantity	Value Rs.
1	Hand operated blow moulding machine	2 no.	34000
2	Injection moulding machine	1	7000
3	Compressore-2HP capacity	1	10000
4	Moulds & dies		10000
5	Erection & Electrical Installation		6000
6	Furniture		5000
7	Pre-operative expenses		3000
	Total		75000

2. WORKING CAPITAL

i. Staff & Labour per month

S.No	Designation	No	@ Rs.	Value Rs.
1	Manager	1	2500	2500
2	Unskilled worker	3	1000	3000
	Total			5500

ii) Raw Material (p.m.)

S.No	Description	Quantity	Value Rs.
1	HDPE	500 kg.	30000
	Total		30000

iii. Utilities per month

S.No.	Description	Value Rs.
1	Power	500
2	Water	250
	Total	750

iv. Other expenses per month

S.No	Description	Value Rs.
1	Conveyance	450
2	Postage, telephone	250
	Total	700

v.Total working capital per month

S.No	Description	Value Rs.
1	Rent	12000
2	Staff and labour	5500
3	Raw materials	30000
4	Utilities	750
5	Other expenses.	700
	Total	48950

IX. COST OF PRODUCTION PER ANNUM

S.No	Description	Value Rs.
1	Total working capital	587400
2	Depreciation	7200
3	Interest	18593
	Total	613193

X. TURNOVER PER YEAR

S.No	Item	Quantity	Rate Rs.	Value Rs.
1	Tumblers & cans	5250 kg.	120	630000
	Total			630000

XI. FIXED COST PER YEAR

S.No	Description	Value Rs.
1	Depreciation	7200
2	Interest	18593
3	Rent	12000
4	40% of salaries & wages	26400
5	40% of other expenses (utilities + OE)	7200
	Total	71393

XII. PROFIT ANALYSIS

Net Profit : sale-total cost =630000-613193 =16807

% of Profit on Sale: Profit / Sale x100 =2.67%

% of Return on Investment: Profit / (Investment) x 100=16807/123950]100=13.56%

Break-Even Analysis : FC / (FC+Profit) x100=71393/71393+16807]100=80.95%

XIII. MACHINERY SUPPLIERS and RAW MATERIAL SUPPLIERS

Locally available