

REPROCESSED PLASTIC GRANULES

I. INTRODUCTION:

In this plastic age, literally all our packaging is being taken over by polyethylene and related plastics. The shortage of petroleum in the country and gulf crisis has reduced supplies of plastic granules. Hence reprocessed granules assume an important role in meeting the demand for plastic products. Lot of waste plastic from milk sachets, liquor covers, tobacco covers, packaging covers, broken buckets, tubs mugs etc. is available in large quantities. Reprocessed plastic granules are used to produce packing covers, carry bags, buckets and mugs etc. Hence there is a good scope to recycle used plastic scrap to produce plastic granules, subject to guidelines laid down in Environment Act.

II. MARKET POTENTIAL

Granules are in demand by various industrial units manufacturing plastic products. There is a good scope for selling plastic granules in any part of the country. Granules of different colours also can be produced with the same equipment by separating waste material by colour.

III. BASIS AND PRESUMPTIONS:

Working hours per day 8 hours

Working days in an year 300days

IV. IMPLEMENTATION SCHEDULE:

The unit can be set up in one month

V. TECHNICAL ASPECTS:

1.Process of Manufacturing:

Waste plastic materials are collected from various sources and segregated as per grade,colour and quality. The waste plastic materials are cleaned and washed with water before further processing. The cleaned plastic materials are put in a cutting machine and converted into small pieces. The cut pieces are put in an extruder where it is melted to give granule lumps. These lumps are put in grinding machine to obtain granules of required size and packed in 50 kgs. and 100 kgs.in bags for despatch to plastic processing units.

2.Quality Specification

as per the customer's choice

3.Production Capacity per annum

Production Capacity 60000 kgs.

Capacity utilisation 60%

Annual production 36000 Kgs.(60%)

VI. TOTAL CAPITAL INVESTMENTS

S.No	Description	Value Rs.
1	Fixed Capital	192000
2	Working capital	57750
	Total cost	249750

VII. MEANS OF FINANCE

- 1.Promoter's Contribution (5% of total cost) 12488
- 2.PMRY subsidy (15% of total cost or Rs.7500,whichever is less) 7500
- 3.Bank loan[total cost-(Promoter's Contribution+ PMRY subsidy) 229762

VIII FINANCIAL ASPECTS

1. FIXED CAPITAL

i)**Land & Buildings:** Rented premises of 500sft. at a rent of Rs.1000 pm

ii Machinery & Equipment

S.No	Description	Quantity	Value Rs.
1	Extruder		144000
2	Grinder		12000
3	Exhaust Fans		2500
4	Dies		6000
5	Water Pipe Line		6000
6	MS Tubes	2 no.	4000
7	Electrical Installation		8000
8	Office Table		2000
9	Steel Almirah		4000
10	Fan		1000
11	Pre-operative expenses		2500
	Total		192000

2. WORKING CAPITAL

i) Staff & Labour per month

S.No	Designation	No	@ Rs.	Value Rs.
1	Manager	1	3000	3000
2	Skilled worker	2	2000	4000
3	Unskilled worker	3	1000	3000
	Total			10000

ii)Raw Material (p.m.)

S.No	Description	Quantity	Value Rs.
1	Scrap plastics	3500kg	35000
2	Cleaning chemicals		2500
3	Water		2500
	Total		40000

iii. Utilities per month

S.No.	Description	Value Rs.
1	Power- 3 phase	2000
2	Water- 500ltrs./ day	2000
	Total	4000

iv.Other expenses per month

S.No	Description	Value Rs.
1	Packing material	1250
2	Conveyance, postage, stationery, telephone etc.	1500
	Total	2750

v. Total working capital per month

S.No	Description	Value Rs.,
1	Rent	1000
2	Staff and labour	10000
3	Raw materials	40000
4	Utilities	4000
5	Other expenses.	2750
	Total	57750

IX. COST OF PRODUCTION PER ANNUM

S.No	Description	Value Rs.
1	Total working capital	693000
2	Depreciation	19200
3	Interest	37464
	Total	749664

X. TURNOVER PER YEAR

S.No	Item	Quantity	Rate Rs.	Value Rs.
1	Plastic granules	36000 kg.	26/kg	936000
	Total			936000

XI. FIXED COST PER YEAR

S.No	Description	Value Rs.
1	Depreciation	19200
2	Interest	37464
3	Rent	12000
4	40% of salaries & wages	48000
5	40% of other expenses (utilities + OE)	32400
	Total	149064

XII PROFIT ANALYSIS

Net Profit : sale-total cost=936000-749664 =186336

% of Profit on Sale: Profit / Sale x100=186336/936000]100 =19.91%

% of Return on Investment: Profit / (Investment)x 100=186336/249750]100=74.61

Break-Even Analysis : FC / (FC+Profit) x100=149064/149064+186336]100=44.44%

XIII. MACHINERY SUPPLIERS

1.Brimco Plastic Machinery, Kalwa, Thane

2. Brimco Plastic Machinery, Hyderabad

XIV. RAW MATERIAL SUPPLIERS

Locally available