PROJECT REPORT

Of

PLASTIC BUCKET

PURPOSE OF THEDOCUMENT

This particular pre-feasibility is regarding **Plastic Bucket**.

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.]

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PROJECT AT A GLANCE

1	Name of the Entreprenuer		xxxxxxxxxx		
2	Constitution (legal Status)		xxxxxxxxxx		
3	Father / Spouse Name		xxxxxxxxxxxx		
4	Unit Address	:	xxxxxxxxxxxxxxxxxxxxxx		
			District :	xxxxxxx	
			Pin:	xxxxxxx	State: xxxxxxxxxx
			Mobile	xxxxxxx	
5	Product and By Product	:	**PLASTIC BUCKET**		
6	Name of the project / business activity proposed :		**PLASTIC BUCKET UNIT**		
7	Cost of Project	:	Rs.44.56 Lakhs		
8	Means of Finance				
	Term Loan		Rs.35.1 Lakhs		
	Own Capital		Rs.4.46 Lakhs		
	Working capital		Rs.5 Lakhs		
9	Debt Service Coverage Ratio	:	2.05		
10	Pay Back Period	:	5	Years	
11	Project Implementation Period	:	5-6	Months	
12	Break Even Point	:	37%		
13	Employment	:	10	Persons	
14	Power Requirement	:	30.00	HP	
15	Major Raw materials	:	PP Granules, Metal handle and Colourant		
16	Estimated Annual Sales Turnover (Max Capacity)	:	156.25	Lakhs	
17	Detailed Cost of Project & Means of Finance				

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	37.50
Furniture & Fixtures	1.50
Working Capital	5.56
Total	**44.56**

MEANS OF FINANCE

Particulars	Amount
Own Contribution	4.46
Working Capital(Finance)	5.00
Term Loan	35.10
Total	**44.56**

PLASTIC BUCKET

Introduction: Thermoplastic materials like PP homopolymer, recycled PP and clarified PP can be injection moulded into buckets of different sizes and shapes. Some of the common items that are produced from PP include buckets, cans and mugs. Their light weight, flexibility, corrosion resistance and chemical resistance have made these plastic products popular for storage and handling of water, petrol, diesel etc. This project profile is based on 10 Ltr capacity Plastic Bucket.

Uses & Market Potential: Bucket is a conventional utensils being used in house since long. Plastic bucket is strong, rough & tough in use. The metal bucket has threatened it to same extent but could not replace it due to issues occurring for pitting and corrosion issues, that is due to salty the water which varies from place to place. Buckets are known for its durability. Even now

there is wide scope of the bucket not only is rural area but also in urban houses and industries. This is a basic household product and is in daily use therefore the demand is always there in Urban as well as in Rural areas.

Raw material: Major raw materials are as follows:

1. Polypropylene(PP Granules)
2. Colourant
3. Metal Handle

Machine Requirement: Major machinery and equipments are as follows:

Description	**Quantity**	**Rate**	**Value**
Injection Molding Machine	1	2200000	2200000
Air Compressor	1	50000	50000
Cooling Tower	1	350000	350000
Scrap Grinder	1	250000	250000
Dry colour mixer	1	200000	200000
Crane(Manual)	1	450000	450000
Mold Cost	Ls		200000
Other equipments & hand tools	Ls		50000
Total Amount			**3750000**

Manufacturing Process: In this injection moulding process, the cold, hard plastic material is loaded into the machine via hopper, plasticized by heating and then injected under pressure into a cold mould, where it sets and is then ejected as the finished products.

The main process steps involved are –

• Plastic material in the form of granules is subjected to heat and pressure in an extruder.

• Semi-molten plastic in extruder passed through the nozzle known as Parison. Adjustments have to be made in the machine to vary the wall thickness of the parison.

• Suitable parison is then inserted in a mould and air is blown into parison to force the molten plastic against the sides of the mould.

• The material is then cooled before removal from the mould.

• The article is then trimmed to remove flashes.

Area: The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and auxiliary like Generator setup. Also some of the area of building is required for office staff facilities, documentation, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1500 to 2000Sqft.

Power Requirement: The power consumption required to run all the machinery could be approximated as 30 Hp

Manpower Requirement: There are requirement of skilled machine operators to run the machine set. Experience quality engineers are required for desired quality control. Some helpers are also required to transfer the material from one work station to other. Office staffs are required to maintain the documentation. The approximate manpower required is 10 including 1 Supervisor, 2 Plant operator, 2 unskilled worker, 1 Helper and 1 Security guard. 3 Skilled worker including Accountant, Manager and Sales person.

Bank Term Loan: Rate of Interest is assumed to be at 11%

Depreciation: Depreciation has been calculated as per the Provisions of Income Tax Act, 1961

Approvals & Registration Requirement:

Basic registration required in this project:

- GST Registration
- Udyog Aadhar Registration (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if require.
- NOC from State Pollution Control Board

Implementation Schedule:

S No.	Activity	Time required
1.	Acquisition of premises	1-2 Months
2.	Procurement & installation of Plant & Machinery	1-2 Months
3.	Arrangement of Finance	1.5-2 Months
4.	Requirement of required Manpower	1 Month
5.	Commercial Trial Runs	1 Month
	Total time Required (some activities shall run concurrently)	5-6 Months

FINANCIALS

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Capital Account					
Opening Balance	-	5.48	9.65	14.35	19.66
Add: Additions	4.46	-	-	-	-
Add: Net Profit	7.03	10.67	13.20	14.81	16.64
Less: Drawings	6.00	6.50	8.50	9.50	11.00
Closing Balance	5.48	9.65	14.35	19.66	25.29
CC Limit	5.00	5.00	5.00	5.00	5.00
Term Loan	31.20	23.40	15.60	7.80	-
Sundry Creditors	1.21	1.39	1.50	1.62	1.74
TOTAL :	**42.89**	**39.44**	**36.45**	**34.08**	**32.03**
APPLICATION OF FUND					
Fixed Assets (Gross)	39.00	39.00	39.00	39.00	39.00
Gross Dep.	5.78	10.69	14.88	18.44	21.48
Net Fixed Assets	33.23	28.31	24.12	20.56	17.52
Current Assets					
Sundry Debtors	2.23	2.61	2.94	3.28	3.65
Stock in Hand	4.54	5.17	5.73	6.31	6.92
Cash and Bank	2.90	3.35	3.66	3.92	3.94
TOTAL :	**42.89**	**39.44**	**36.45**	**34.08**	**32.03**

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PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
A) SALES					
Gross Sale	95.70	112.01	126.04	140.78	156.25
Total (A)	**95.70**	**112.01**	**126.04**	**140.78**	**156.25**
B) COST OF SALES					
Raw Material Consumed	51.98	59.54	64.50	69.46	74.42
Elecricity Expenses	2.51	2.74	2.97	3.20	3.42
Repair & Maintenance	2.87	3.36	3.78	4.22	4.69
Labour & Wages	14.74	16.22	19.46	23.35	28.02
Depreciation	5.78	4.92	4.19	3.56	3.03
Cost of Production	77.87	86.77	94.89	103.79	113.59
Add: Opening Stock /WIP	-	2.81	3.18	3.58	4.00
Less: Closing Stock /WIP	2.81	3.18	3.58	4.00	4.44
Cost of Sales (B)	75.07	86.39	94.49	103.37	113.15
C) GROSS PROFIT (A-B)	20.63	25.62	31.54	37.41	43.10
	21.56%	**22.87%**	**25.03%**	**26.57%**	**27.59%**
D) Bank Interest (Term Loan)	3.81	3.11	2.25	1.39	0.54
ii) Interest On Working Capital	0.55	0.55	0.55	0.55	0.55
E) Salary to Staff	6.55	7.86	9.43	11.32	13.59
F) Selling & Adm Expenses Exp.	1.91	2.24	3.78	5.63	6.25
TOTAL (D+E)	**12.82**	**13.76**	**16.02**	**18.90**	**20.92**
H) NET PROFIT	7.81	11.85	15.52	18.51	22.18
	8.2%	**10.6%**	**12.3%**	**13.1%**	**14.2%**
I) Taxation	0.78	1.19	2.33	3.70	5.55
J) PROFIT (After Tax)	7.03	10.67	13.20	14.81	16.64

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Own Contribution	4.46	-			
Reserve & Surplus	7.81	11.85	15.52	18.51	22.18
Depriciation & Exp. W/off	5.78	4.92	4.19	3.56	3.03
Increase In Cash Credit	5.00				
Increase In Term Loan	35.10	-	-	-	-
Increase in Creditors	1.21	0.18	0.12	0.12	0.12
TOTAL :	**59.35**	**16.95**	**19.83**	**22.19**	**25.33**
APPLICATION OF FUND					
Increase in Fixed Assets	39.00	-	-	-	-
Increase in Stock	4.54	0.63	0.56	0.58	0.60
Increase in Debtors	2.23	0.38	0.33	0.34	0.36
Repayment of Term Loan	3.90	7.80	7.80	7.80	7.80
Taxation	0.78	1.19	2.33	3.70	5.55
Drawings	6.00	6.50	8.50	9.50	11.00
TOTAL :	**56.45**	**16.50**	**19.52**	**21.93**	**25.31**
Opening Cash & Bank Balance	-	2.90	3.35	3.66	3.92
Add : Surplus	2.90	0.45	0.31	0.26	0.02
Closing Cash & Bank Balance	**2.90**	**3.35**	**3.66**	**3.92**	**3.94**

COMPUTATION OF MAKING OF PLASTIC BUCKET			
Item to be Manufactured Plastic Bucket(10 Ltr.)			
Manufacturing Capacity per day		1,200	No.s
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		3,60,000	No.s
Total Production per Annum		3,60,000	No.s
Year		Capacity Utilisation	PLASTIC BUCKET
I		55%	1,98,000.00
II		60%	2,16,000.00
III		65%	2,34,000.00
IV		70%	2,52,000.00
V		75%	2,70,000.00

COMPUTATION OF RAW MATERIAL

Item Name		Quantity of Raw Material	Unit	Unit Rate of	Total CostPer Annum (100%)
PP Granules		130.00	MT	65,000.00	84,50,000.00
Colourant		Lusmum			5,00,000.00
Metal Handle		Lusmum			5,00,000.00
Total					**94,50,000.00**
Total Raw material in Rs lacs					94.50

Raw Material Consumed	Capacity Utilisation		Amount (Rs.)		
I	55%		51.98		
II	60%		59.54	5% Increase in Cost	
III	65%		64.50	5% Increase in Cost	
IV	70%		69.46	5% Increase in Cost	
V	75%		74.42	5% Increase in Cost	

COMPUTATION OF SALE					
Particulars	**I**	**II**	**III**	**IV**	**V**
Op Stock	-	6,600.00	7,200.00	7,800.00	8,400.00
Production	1,98,000.00	2,16,000.00	2,34,000.00	2,52,000.00	2,70,000.00
	1,98,000.00	2,22,600.00	2,41,200.00	2,59,800.00	2,78,400.00
Less : Closing Stock(10 Days)	6,600.00	7,200.00	7,800.00	8,400.00	9,000.00
Net Sale	1,91,400.00	2,15,400.00	2,33,400.00	2,51,400.00	2,69,400.00
Sale Price per Pc	50.00	52.00	54.00	56.00	58.00
Sale (in Lacs)	**95.70**	**112.01**	**126.04**	**140.78**	**156.25**

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	I	II	III	IV	V
Finished Goods					
(10 Days requirement)	2.81	3.18	3.58	4.00	4.44
Raw Material					
(10 Days requirement)	1.73	1.98	2.15	2.32	2.48
Closing Stock	**4.54**	**5.17**	**5.73**	**6.31**	**6.92**

COMPUTATION OF WORKING CAPITAL REQUIREMENT			
Particulars	**Amount**	**Margin(10%)**	**Net Amount**
Stock in Hand	4.54		
Less:			
Sundry Creditors	1.21		
Paid Stock	**3.32**	**0.33**	**2.99**
Sundry Debtors	2.23	0.22	2.01
Working Capital Requirement			**5.00**
Margin			0.56
MPBF			**5.00**
Working Capital Demand			**5.00**

BREAK UP OF LABOUR				
Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Supervisor		25,000.00	1	25,000.00
Plant Operator		22,000.00	2	44,000.00
Unskilled Worker		16,000.00	2	32,000.00
Helper		10,000.00	1	10,000.00
Security Guard		6,000.00	1	6,000.00
				1,17,000.00
Add: 5% Fringe Benefit				5,850.00
Total Labour Cost Per Month				1,22,850.00
Total Labour Cost for the year (In Rs. Lakhs)			7	14.74

BREAK UP OF SALARY				
Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Manager		12,000.00	1	12,000.00
Accountant cum store keeper		22,000.00	1	22,000.00
Sales		18,000.00	1	18,000.00
Total Salary Per Month				52,000.00
Add: 5% Fringe Benefit				2,600.00
Total Salary for the month				54,600.00
Total Salary for the year (In Rs. Lakhs)			3	6.55

COMPUTATION OF DEPRECIATION				
Description	Land	Plant & Machinery	Furniture	**TOTAL**
Rate of Depreciation		**15.00%**	**10.00%**	
Opening Balance	Leased	-	-	-
Addition	-	37.50	1.50	39.00
	-	37.50	1.50	39.00
		-	-	
TOTAL		37.50	1.50	39.00
Less : Depreciation	-	5.63	0.15	5.78
WDV at end of Ist year	-	31.88	1.35	33.23
Additions During The Year	-	-	-	-
	-	31.88	1.35	33.23
Less : Depreciation	-	4.78	0.14	4.92
WDV at end of IInd Year	-	27.09	1.22	28.31
Additions During The Year	-	-	-	-
	-	27.09	1.22	28.31
Less : Depreciation	-	4.06	0.12	4.19
WDV at end of IIIrd year	-	23.03	1.09	24.12
Additions During The Year	-	-	-	-
	-	23.03	1.09	24.12
Less : Depreciation	-	3.45	0.11	3.56
WDV at end of IV year	-	19.58	0.98	20.56
Additions During The Year	-	-	-	-
	-	19.58	0.98	20.56
Less : Depreciation	-	2.94	0.10	3.03
WDV at end of Vth year	-	16.64	0.89	17.52

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	**Particulars**	**Amount**	**Addition**	**Total**	**Interest**	**Repayment**	**Cl Balance**
I	Opening Balance						
	Ist Quarter	-	35.10	35.10	0.97	-	35.10
	Iind Quarter	35.10	-	35.10	0.97	-	35.10
	IIIrd Quarter	35.10	-	35.10	0.97	1.95	33.15
	Ivth Quarter	33.15	-	33.15	0.91	1.95	31.20
					3.81	3.90	
II	Opening Balance						
	Ist Quarter	31.20	-	31.20	0.86	1.95	29.25
	Iind Quarter	29.25	-	29.25	0.80	1.95	27.30
	IIIrd Quarter	27.30	-	27.30	0.75	1.95	25.35
	Ivth Quarter	25.35		25.35	0.70	1.95	23.40
					3.11	7.80	
III	Opening Balance						
	Ist Quarter	23.40	-	23.40	0.64	1.95	21.45
	Iind Quarter	21.45	-	21.45	0.59	1.95	19.50
	IIIrd Quarter	19.50	-	19.50	0.54	1.95	17.55
	Ivth Quarter	17.55		17.55	0.48	1.95	15.60
					2.25	7.80	
IV	Opening Balance						
	Ist Quarter	15.60	-	15.60	0.43	1.95	13.65
	Iind Quarter	13.65	-	13.65	0.38	1.95	11.70
	IIIrd Quarter	11.70	-	11.70	0.32	1.95	9.75
	Ivth Quarter	9.75		9.75	0.27	1.95	7.80
					1.39	7.80	
V	Opening Balance						
	Ist Quarter	7.80	-	7.80	0.21	1.95	5.85
	Iind Quarter	5.85	-	5.85	0.16	1.95	3.90
	IIIrd Quarter	3.90	-	3.90	0.11	1.95	1.95
	Ivth Quarter	1.95		1.95	0.05	1.95	0.00
					0.54	7.80	

Door to Door Period	60	Months
Moratorium Period	6	Months
Repayment Period	54	Months

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
CASH ACCRUALS	12.80	15.59	17.38	18.37	19.67
Interest on Term Loan	3.81	3.11	2.25	1.39	0.54
Total	16.61	18.70	19.63	19.77	20.21
REPAYMENT					
Repayment of Term Loan	3.90	7.80	7.80	7.80	7.80
Interest on Term Loan	3.81	3.11	2.25	1.39	0.54
Total	7.71	10.91	10.05	9.19	8.34
DEBT SERVICE COVERAGE RATIO	**2.15**	**1.71**	**1.95**	**2.15**	**2.42**
AVERAGE D.S.C.R.			**2.05**		

COMPUTATION OF ELECTRICITY				
(A) POWER CONNECTION				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	30	
Load Factor			0.7460	
Electricity Charges		per unit	7.50	
Total Working Days			300	
Electricity Charges				4,02,840.00
Add : Minimim Charges (@ 10%)				
(B) DG set				
No. of Working Days			300	days
No of Working Hours			0.3	Hour per day
Total no of Hour			90	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			720	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			0.47	
Add : Lube Cost @15%			0.07	
Total			**0.54**	
Total cost of Power & Fuel at 100%				4.57
Year		**Capacity**		**Amount**
				(in Lacs)
I		55%		2.51
II		60%		2.74
III		65%		2.97
IV		70%		3.20
V		75%		3.42

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