

PROJECT REPORT

Of

PLASTIC BOARD(SOLID CHOPPING BOARD)

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Plastic Board(Solid Chopping Board) Manufacturing unit.

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.]



Lucknow Office: Sidhivinayak Building ,
27/1/B, Gokhley Marg, Lucknow-226001

Delhi Office : Multi Disciplinary Training
Centre, Gandhi Darshan Rajghat,
New Delhi 110002

Email : info@udyami.org.in
Contact : +91 7526000333, 444, 555

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **PLASTIC BOARD(SOLID CHOPPING BOARD)**
PLASTIC BOARD (SOLID CHOPPING BOARD)
- 6 Name of the project / business activity proposed : **MANUFACTURING UNIT**
- 7 Cost of Project : Rs.21.6 Lakhs
- 8 Means of Finance
- Term Loan Rs.14.94 Lakhs
- Own Capital Rs.2.16 Lakhs
- Working Capital Rs.4.5 Lakhs
- 9 Debt Service Coverage Ratio : 2.21
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 35%
- 13 Employment : 11 Persons
- 14 Power Requirement : 40.00 HP
- 15 Major Raw materials : PP Resin and other additives
- 16 Estimated Annual Sales Turnover (Max Capacity) : 100.38 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	15.80
Furniture & Fixtures	0.80
Working Capital	5.00
Total	21.60

MEANS OF FINANCE

Particulars	Amount
Own Contribution	2.16
Working Capital(Finance)	4.50
Term Loan	14.94
Total	21.60

PLASTIC BOARD (SOLID CHOPPING BOARD)

MANUFACTURING UNIT

Introduction:

Plastic boards in the form of the solid chopping board are generally manufactured in a solid rectangular shape made up of food-grade plastic such as PP and PE and used as a base support for chopping and cutting vegetables, fruits, and sometimes meat and chicken. The manufacturing of the product must be done using food-grade plastic, as in a process such as chopping and cutting, food products are exposed to the plastic board, and sliced pieces of food come in contact with the plastic, which can contaminate the food. Thus, the plastic materials should offer high moisture resistance, stiffness, and cut resistance.



Uses & Market Potential:

Chopping boards provide support and surface to the foods while chopping and cutting process and protection from the untidy or contaminated surfaces. According

to the Plast India Foundation, India has a 15,788 KTA production capacity of thermoplastics alone. Similarly, engineering plastics, polyolefin, and polystyrene have a significant marketplace in India. Stringent regulations regarding depletion and recyclability of conventional materials such as metal and wood are anticipated to drive plastic demand in several applications. Plastic boards are generally quite simple to fabricate, easy to use, and provide better suitability as a food-grade material compared to metals or wood. Plastic such as PP in the plastic boards offers a wide range of color combinations, adding to their aesthetic appeal.

Product:

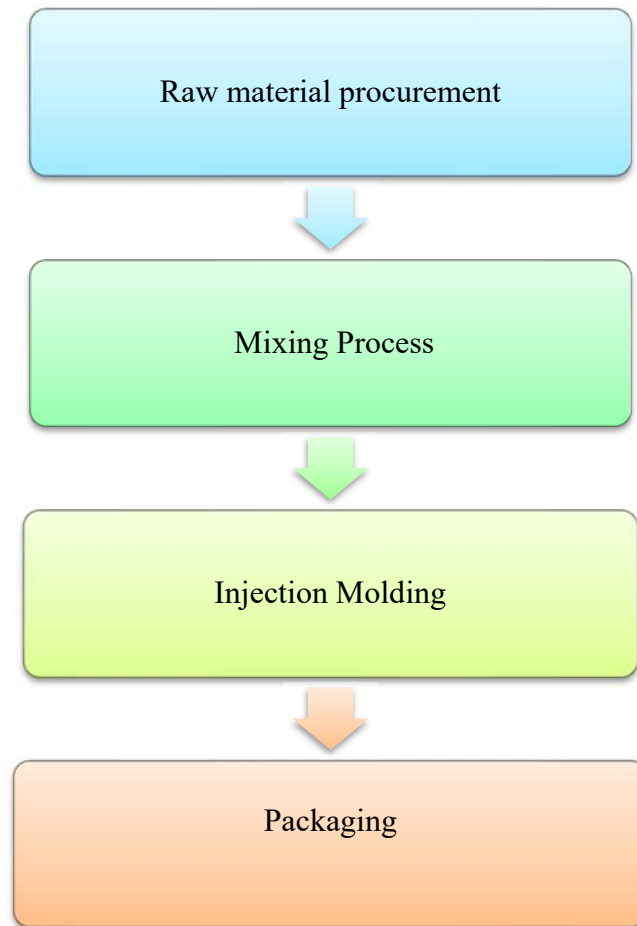
Plastic Board (Solid Chopping Board)

Raw Material:

Basic raw material is

- PP Resin
- Other additives

Manufacturing Process:



Area:

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

Cost of Machines:

Machine	Unit	Rate	Price
Injection Molding	1	1200000	1200000
Tumbler Mixture	1	100000	100000
Cooling Tower	1	50000	50000
Scrap Grinder	1	100000	100000
Air compressor	1	80000	80000
Other equipment's	-	-	50000
Total Amount			1580000

Power Requirement- The estimated Power requirement is taken at 40 HP.

Manpower Requirement— Following manpower is required:

- Machine operator-2
- Skilled/unskilled worker-3
- Helper-4
- Manager cum Accountant-1
- Sales Personnel-1

FINANCIALS

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	2.80	4.28	6.15	8.63
Add: Additions	2.16	-	-	-	-
Add: Net Profit	3.64	4.98	5.87	6.98	8.19
Less: Drawings	3.00	3.50	4.00	4.50	5.00
Closing Balance	2.80	4.28	6.15	8.63	11.82
CC Limit	4.50	4.50	4.50	4.50	4.50
Term Loan	13.28	9.96	6.64	3.32	-
Sundry Creditors	1.35	1.55	1.76	1.97	2.19
TOTAL :	21.93	20.29	19.04	18.42	18.51
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	16.60	16.60	16.60	16.60	16.60
Gross Dep.	2.45	4.54	6.31	7.83	9.12
Net Fixed Assets	14.15	12.06	10.29	8.77	7.48
Current Assets					
Sundry Debtors	2.66	3.23	3.69	4.18	4.68
Stock in Hand	3.69	4.23	4.80	5.39	5.98
Cash and Bank	1.43	0.77	0.27	0.08	0.36
TOTAL :	21.93	20.29	19.04	18.42	18.51
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	57.00	69.14	79.10	89.52	100.38
Total (A)	57.00	69.14	79.10	89.52	100.38
<u>B) COST OF SALES</u>					
Raw Material Consumed	27.00	30.98	35.12	39.40	43.85
Electricity Expenses	3.58	4.03	4.48	4.92	5.37
Repair & Maintenance	1.43	1.73	1.98	2.24	2.51
Labour & Wages	12.35	14.82	17.48	20.28	22.72
Depreciation	2.45	2.09	1.78	1.51	1.29
Cost of Production	46.80	53.64	60.83	68.36	75.73
Add: Opening Stock /WIP	-	2.34	2.68	3.04	3.42
Less: Closing Stock /WIP	2.34	2.68	3.04	3.42	3.79
Cost of Sales (B)	44.46	53.30	60.47	67.98	75.37
C) GROSS PROFIT (A-B)	12.54	15.84	18.63	21.53	25.01
	21.99%	22.91%	23.55%	24.05%	24.92%
D) Bank Interest i) (Term Loan)	1.62	1.32	0.96	0.59	0.23
ii) Interest On Working Capital	0.50	0.50	0.50	0.50	0.50
E) Salary to Staff	5.92	7.11	8.39	9.64	11.09
F) Selling & Adm Expenses Exp.	0.86	1.94	2.53	3.13	4.02
G) TOTAL (D+E+F)	8.89	10.86	12.37	13.86	15.83
H) NET PROFIT	3.64	4.98	6.26	7.67	9.19
	6.4%	7.2%	7.9%	8.6%	9.2%
I) Taxation	-	-	0.39	0.68	1.00
J) PROFIT (After Tax)	3.64	4.98	5.87	6.98	8.19

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	2.16	-	-	-	-
Reserve & Surplus	3.64	4.98	6.26	7.67	9.19
Depreciation & Exp. W/off	2.45	2.09	1.78	1.51	1.29
Increase In Cash Credit	4.50	-	-	-	-
Increase In Term Loan	14.94	-	-	-	-
Increase in Creditors	1.35	0.20	0.21	0.21	0.22
TOTAL :	29.04	7.26	8.24	9.40	10.70
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	16.60	-	-	-	-
Increase in Stock	3.69	0.54	0.57	0.59	0.59
Increase in Debtors	2.66	0.57	0.46	0.49	0.51
Repayment of Term Loan	1.66	3.32	3.32	3.32	3.32
Taxation	-	-	0.39	0.68	1.00
Drawings	3.00	3.50	4.00	4.50	5.00
TOTAL :	27.61	7.93	8.74	9.58	10.42
Opening Cash & Bank Balance	-	1.43	0.77	0.27	0.08
Add : Surplus	1.43	- 0.67	- 0.50	- 0.19	0.28
Closing Cash & Bank Balance	1.43	0.77	0.27	0.08	0.36

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(15 Days requirement)	2.34	2.68	3.04	3.42	3.79
<u>Raw Material</u>					
(15 Days requirement)	1.35	1.55	1.76	1.97	2.19
Closing Stock	3.69	4.23	4.80	5.39	5.98

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	3.69		
Less:			
Sundry Creditors	1.35		
Paid Stock	2.34	0.23	2.11
Sundry Debtors	2.66	0.27	2.39
Working Capital Requirement			4.50
Margin			0.50
MPBF			4.50
Working Capital Demand			4.50

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	14.94	14.94	0.41	-	14.94
	Iind Quarter	14.94	-	14.94	0.41	-	14.94
	IIIrd Quarter	14.94	-	14.94	0.41	0.83	14.11
	Ivth Quarter	14.11	-	14.11	0.39	0.83	13.28
					1.62	1.66	
II	Opening Balance						
	Ist Quarter	13.28	-	13.28	0.37	0.83	12.45
	Iind Quarter	12.45	-	12.45	0.34	0.83	11.62
	IIIrd Quarter	11.62	-	11.62	0.32	0.83	10.79
	Ivth Quarter	10.79		10.79	0.30	0.83	9.96
					1.32	3.32	
III	Opening Balance						
	Ist Quarter	9.96	-	9.96	0.27	0.83	9.13
	Iind Quarter	9.13	-	9.13	0.25	0.83	8.30
	IIIrd Quarter	8.30	-	8.30	0.23	0.83	7.47
	Ivth Quarter	7.47		7.47	0.21	0.83	6.64
					0.96	3.32	
IV	Opening Balance						
	Ist Quarter	6.64	-	6.64	0.18	0.83	5.81
	Iind Quarter	5.81	-	5.81	0.16	0.83	4.98
	IIIrd Quarter	4.98	-	4.98	0.14	0.83	4.15
	Ivth Quarter	4.15		4.15	0.11	0.83	3.32
					0.59	3.32	
V	Opening Balance						
	Ist Quarter	3.32	-	3.32	0.09	0.83	2.49
	Iind Quarter	2.49	-	2.49	0.07	0.83	1.66
	IIIrd Quarter	1.66	-	1.66	0.05	0.83	0.83
	Ivth Quarter	0.83		0.83	0.02	0.83	0.00
					0.23	3.32	

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
<u>CASH ACCRUALS</u>	6.09	7.06	7.65	8.50	9.47
Interest on Term Loan	1.62	1.32	0.96	0.59	0.23
Total	7.71	8.39	8.60	9.09	9.70
<u>REPAYMENT</u>					
Repayment of Term Loan	1.66	3.32	3.32	3.32	3.32
Interest on Term Loan	1.62	1.32	0.96	0.59	0.23
Total	3.28	4.64	4.28	3.91	3.55
DEBT SERVICE COVERAGE RATIO	2.35	1.81	2.01	2.32	2.73
AVERAGE D.S.C.R.			2.21		

Assumptions:

1. Production Capacity of Plastic Board(Solid Chopping Board) Manufacturing unit is taken at 500 Units per day. First year, Capacity has been taken @ 40%.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock and Finished goods closing stock has been taken for 15 days.
4. Credit period to Sundry Debtors has been given for 14 days.
5. Credit period by the Sundry Creditors has been provided for 15 days.
6. Depreciation and Income tax has been taken as per the Income tax Act,1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 40 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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