

PROJECT REPORT FOR
PLASTIC GRANULES MANUFACTURING



PROMOTER:

XXXXXXXXXXXXXXXXXXXXXXXXXX
ADDRESS : XXXXXXXXXXXXXXXXXXXX

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Project For:
Plastic Granules Manufacturing

I. PROJECT AT A GLANCE

1. About the Promoter : **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
Address: **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**

2. Project Cost : Rs.18.65 Lakhs

3. Mean of Finance :
 - A) T. L. facility from Bank : Rs.10.35 Lakhs
 - B) Beneficiary contribution : Rs.1.87 Lakhs
 - C) C.C. Facility from Bank : Rs.6.44 Lakhs
 - D) Subsidy (PMEGP scheme) : Rs.4.66 Lakhs

4. Rate of Interest : 11.00% Per Annum

5. Repayment : 60 monthly installments, EMI @ 0.23 Lakhs

6. Nature of Project : Plastic Granules

7. Employment Potential : 18 Nos.

8. Nature of the Firm : Proprietary Firm

9. Average Debt Coverage ratios : **2.60**

II. ABOUT THE PROJECT

Introduction

The term “plastics” includes materials composed of various elements such as carbon, hydrogen, oxygen, nitrogen, chlorine, and sulfur. Plastics typically have high molecular weight, meaning each molecule can have thousands of atoms bound together. Naturally occurring materials, such as wood, horn and rosin, are also composed of molecules of high molecular weight. The manufactured or synthetic plastics are often designed to mimic the properties of natural materials. Plastics, also called polymers, are produced by the conversion of natural products or by the synthesis from primary chemicals generally coming from oil, natural gas, or coal.

Recycled plastic is a form of plastic that has the same properties as virgin plastic but is made from scrap and waste. The main goal of Recycled Plastic is to minimise overall waste and the negative impact of plastic waste on the environment. Companies working in the industry would benefit from the high focus on packaging processes and products associated with Recycled Plastic. The industry will rise as a result of rising demand for the commodity as a result of its large range of applications in various industries. Because of the severe environmental consequences of plastic waste, governments all over the world have placed stringent restrictions on its use.

MARKET POTENTIAL & STRATEGY

By the end of 2026, the global recycled plastic industry is expected to be worth USD 72.6 billion. In the coming years, the emergence of many large-scale businesses around the world would have a positive effect on the market's development. During the forecast period, the India plastic recycling market is projected to expand at a healthy CAGR of more than 7%. The plastic recycling industry in India is booming, thanks to an increase in the number of small-scale manufacturing plants in the country and an emphasis on secondary use economy by non-governmental organisations. In certain Indian cities, the government is focusing on imposing the ban on ultra-thin polyethylene bags, probably as a stopgap measure for economic sustainability and development. Furthermore, the increasing packaging industry is driving up demand for PET and HDPE for packaging applications, so it is preferable to use recyclable plastic to reduce waste. In 2019, the government called for the use of single-use plastics to be phased out. By 2022, the government has set a lofty goal of banning single-use plastics. Government initiatives such as the Swachh Bharat Mission (SBM) and Make in India are working to create circular economy policies that will help India's plastic recycling industry grow.

Project For :
Plastic Granules Manufacturing

III. ECONOMICS OF THE PROJECT

A. COST OF PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
1	Land & Buildings Costruction(Shed)	4.75	0.00	4.75
2	Plant & Machinery	6.25	0.00	6.25
3	Furniture & Electricals	0.50	0.00	0.50
4	Working Capital	7.15	0.00	7.15
		18.65	0.00	18.65

Means of Finance :

a) Own Contribution (10%)	1.87
b) T L facility from Bank (90%)	10.35
c) C.C. Facility from Bank (90%)	6.44
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	18.65
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d) Subsidy Entitlement Under PMEGP scheme @ 25%	4.66

B. PROFITABILITY STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Sales	41.32	49.59	57.85	66.12	70.25	74.38
	Add : Increase in Cl.Stock	5.43	3.38	3.86	4.33	4.32	4.56
	Total Turnover	46.76	52.97	61.71	70.45	74.56	78.94
2	RM Consumption	30.52	36.63	42.73	48.84	51.89	54.94
3	Overheads						
	a) Direct	6.50	7.15	7.87	8.62	9.45	10.36
	b) Indirect	1.25	1.38	1.51	1.64	1.77	1.91
4	Balance	8.48	7.81	9.60	11.35	11.46	11.72
5	Interest on TL & CC	1.83	1.64	1.43	1.19	0.93	0.77
6	Depreciation	1.46	1.27	1.10	0.96	0.83	0.73
7	Preliminary expenses W/off	-	-	-	-	-	-
8	Profit after Interest & Dep.	5.19	4.90	7.07	9.20	9.70	10.22
9	Income Tax	0.24	0.49	0.61	1.04	1.14	1.27
10	Profit after Tax	4.95	4.41	6.45	8.16	8.56	8.96
11	Add: Depreciation & Pre Exp.	1.46	1.27	1.10	0.96	0.83	0.73
12	Add : Interest on TL	1.83	1.64	1.43	1.19	0.93	0.77
13	Cash Accruals	8.24	7.32	8.98	10.31	10.32	10.46
14	Instalments of TL & Interest	3.47	3.47	3.47	3.47	3.47	0.77
15	DSCR	2.37	2.11	2.59	2.97	2.97	-
16	Average DSCR	2.60					
17	N.P. to Total receipts	11.98	8.90	11.15	12.34	12.18	12.04

Project For : Plastic Granules Manufacturing
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C. CASH FLOW STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
A CASH INFLOW :							
1	Collection from Debtors	39.60	47.52	55.44	63.36	67.32	71.28
2	T.L. from Bank	10.35					
3	CC from bank	6.44					
4	Capital	1.87	-	-	-	-	-
5	Subsidy	4.66	-				
	TOTAL (A)	62.92	47.52	55.44	63.36	67.32	71.28
B CASH OUTFLOW :							
1	Fixed Assets	11.50			-		
2	Payments to creditors	25.44	30.52	35.61	40.70	43.24	45.78
3	Direct overheads	6.50	7.15	7.87	8.62	9.45	10.36
4	Indirect Overheads	1.25	1.38	1.51	1.64	1.77	1.91
5	Interest on Bank Loan	1.83	1.64	1.43	1.19	0.93	0.77
6	Income Tax	0.24	0.49	0.61	1.04	1.14	1.27
7	Term Loan Repayment	1.64	1.83	2.05	2.28	2.55	-
8	Drawings	0.50	0.55	0.61	0.67	0.73	0.81
	TOTAL (B)	48.90	43.56	49.68	56.13	59.80	60.90
SUMMARY:							
	Op. Cash & Bank Balance.	-	14.02	17.98	23.74	30.97	38.49
	Add : Surplus / (Deficit)	14.02	3.96	5.76	7.23	7.52	10.38
	Cl. Cash & Bank Balance.	14.02	17.98	23.74	30.97	38.49	48.87

Project For :
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D. BALANCE SHEET

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
A	ASSETS :						
1	Fixed Assets	10.04	8.77	7.67	6.71	5.87	5.15
2	Investments	-	-	-	-	-	-
3	Current Assets	21.18	30.58	42.61	56.92	71.68	89.71
4	Loans & Advances	-	-	-	-	-	-
5	Pre Exp. Not written off	-	-	-	-	-	-
	TOTAL (A)	31.21	39.35	50.27	63.63	77.55	94.86
B	LIABILITIES:						
1	Capital	10.98	14.84	20.69	28.19	36.01	44.16
2	Secured loans						
	Term Loan	8.71	6.87	4.83	2.55	-	-
3	Unsecured Loans	-	-	-	-	-	-
4	Current Liabilities						
	Cash Credit	6.44	6.44	6.44	6.44	6.44	6.44
	Sundry Creditors	5.09	11.19	18.31	26.45	35.10	44.26
	TOTAL (B)	31.21	39.35	50.27	63.63	77.55	94.86

Project For :
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(Rs. Lacs)

E. CAPITAL ACCOUNT

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Op. Balance	-	10.98	14.84	20.69	28.19	36.01
2	Additions	6.53	-	-	-	-	-
3	Net Profit for the year.	4.95	4.41	6.45	8.16	8.56	8.96
	Sub Total	11.48	15.39	21.30	28.85	36.75	44.97
4	Less : Drawings	0.50	0.55	0.61	0.67	0.73	0.81
5	Cl. Balance	10.98	14.84	20.69	28.19	36.01	44.16

Project For :
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(Rs. Lacs)

F. PRODUCTION AND SALES

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	Capacity utilisation	0.50	0.60	0.70	0.80	0.85	0.90
1	Production per annum (MT) Plastic Granules	56.35	67.62	78.89	90.16	95.80	101.43
2	Cl.Stock of Finished Goods (MT) Plastic Granules	4.70	5.64	6.57	7.51	7.98	8.45
3	Sales per annum (MT) (Tot Production less Cl. Stock) Plastic Granules	51.65	61.99	72.32	82.65	87.81	92.98
4	Sales per annum Plastic Granules (Selling Price @ Rs 80 per Kg)	41.32	49.59	57.85	66.12	70.25	74.38
	Total Sale	<u>41.32</u>	<u>49.59</u>	<u>57.85</u>	<u>66.12</u>	<u>70.25</u>	<u>74.38</u>
5	Sundry Debtors (Credit period allowed 15 days)	1.72	2.07	2.41	2.75	2.93	3.10
6	Collection from Debtors	39.60	47.52	55.44	63.36	67.32	71.28
7	Total cost of Production	37.02	43.78	50.60	57.46	61.34	65.30
8	Cost per MT	0.66	0.65	0.64	0.64	0.64	0.64
9	Value of Closing Stock	3.09	3.65	4.22	4.79	5.11	5.44

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PRODUCTION

S.No.	Particulars	Installed capacity (MT)	Year 1 0.50	Year 2 0.60	Year 3 0.70	Year 4 0.80	Year 5 0.85	Year 6 0.90
1	Production of Plastic Granules	112.70	56.35	67.62	78.89	90.16	95.80	101.43

Installed Capacity Kg/ Hrs	50.00
Per Day Working Hours	8.00
Less: Lunch Hours	1.00
Net	<u>7.00</u>
Total Production per day	350.00 Kg
Total production per annum	112.70 MT
Total Working Days	365.00
Weekly off	26.00
Holidays	7.00
Machine Break down	10.00
Net Working days	<u>322.00</u>

Project For :
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(Rs. Lacs)

G. RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Production (MT) (Output)	56.35	67.62	78.89	90.16	95.80	101.43
2	RM Purchases	28.18	33.81	39.45	45.08	47.90	50.72

Raw Material requirement (Input)

S.No.	Items	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Requirement of Raw Material	56.35	67.62	78.89	90.16	95.80	101.43
2	Purchase of Raw Materials Waste Plastic Scrap ('@RS.50 Per Kg)	28.18	33.81	39.45	45.08	47.90	50.72
3	Total cost of R.M	28.18	33.81	39.45	45.08	47.90	50.72

Project For :
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(Rs. Lacs)

RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	RM cost for total production	28.18	33.81	39.45	45.08	47.90	50.72
2	Cl. Stock of RM (assumed 30 days consumption)						
	O/p Stock	-	2.35	5.17	8.45	12.21	16.20
	Add : Addition	2.35	2.82	3.29	3.76	3.99	4.23
	Closing Stock	2.35	5.17	8.45	12.21	16.20	20.43
3	RM Purchases	30.52	36.63	42.73	48.84	51.89	54.94
4	Sundry Creditors (Credit period allowed 60 days)	5.09	6.10	7.12	8.14	8.65	9.16
5	Payment to creditors	25.44	30.52	35.61	40.70	43.24	45.78

Project For :
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(Rs. Lacs)

H. DIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Manpower						
a	Skilled Worker 8 no.@ Rs. 6,000 per month	5.76	6.34	6.97	7.67	8.43	9.28
b	Unskilled Worker 10 no.@ Rs. 4,000 per month	4.80	5.28	5.81	6.39	7.03	7.73
2	Electricity @ Rs. 5000 per month	0.60	0.66	0.73	0.80	0.88	0.97
3	Packaging & Transportation @ Rs. 5,000 per month	0.60	0.66	0.73	0.80	0.88	0.97
4	Other Production Overheads	0.50	0.55	0.61	0.64	0.67	0.70
	Total	6.50	7.15	7.87	8.62	9.45	10.36

Project For :
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(Rs. Lacs)

I. INDIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Advertisement & Publicity	0.25	0.28	0.30	0.33	0.37	0.40
2	Repairs & Maint. (5% of machinery cost)	0.50	0.55	0.61	0.67	0.73	0.81
3	Misc. Expenses	0.50	0.55	0.61	0.64	0.67	0.70
		<u>1.25</u>	<u>1.38</u>	<u>1.51</u>	<u>1.64</u>	<u>1.77</u>	<u>1.91</u>

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(Rs. Lacs)

J. TERM LOAN REPAYMENT AND INTEREST THEREON

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	TL / Op. Bal.	10.35	8.71	6.87	4.83	2.55	-
2	Repayment during the year	1.64	1.83	2.05	2.28	2.55	-
3	Cl. Balance	8.71	6.87	4.83	2.55	-	-
4	Interest at 11 per cent p.a.	1.06	0.87	0.66	0.42	0.15	-
5	Total repayment with Interest	3.47	3.47	3.47	3.47	3.47	0.77
6	Interest on CC (at 12 per cent p.a.)	0.77	0.77	0.77	0.77	0.77	0.77
	Total Interest	1.83	1.64	1.43	1.19	0.93	0.77

Term Loan Repayment Schedule

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				10.35
1	0.23	0.09	0.13	10.22
2	0.23	0.09	0.13	10.09
3	0.23	0.09	0.13	9.96
4	0.23	0.09	0.13	9.82
5	0.23	0.09	0.13	9.69
6	0.23	0.09	0.14	9.55
7	0.23	0.09	0.14	9.41
8	0.23	0.09	0.14	9.27
9	0.23	0.09	0.14	9.13
10	0.23	0.08	0.14	8.99
11	0.23	0.08	0.14	8.85
12	0.23	0.08	0.14	8.71
First Year	2.70	1.06	1.64	
13	0.23	0.08	0.15	8.56
14	0.23	0.08	0.15	8.42
15	0.23	0.08	0.15	8.27
16	0.23	0.08	0.15	8.12
17	0.23	0.07	0.15	7.97
18	0.23	0.07	0.15	7.82
19	0.23	0.07	0.15	7.66

20	0.23	0.07	0.15	7.51
21	0.23	0.07	0.16	7.35
22	0.23	0.07	0.16	7.19
23	0.23	0.07	0.16	7.03
24	0.23	0.06	0.16	6.87
Second Year	2.70	0.87	1.83	
25	0.23	0.06	0.16	6.71
26	0.23	0.06	0.16	6.55
27	0.23	0.06	0.17	6.38
28	0.23	0.06	0.17	6.22
29	0.23	0.06	0.17	6.05
30	0.23	0.06	0.17	5.88
31	0.23	0.05	0.17	5.71
32	0.23	0.05	0.17	5.54
33	0.23	0.05	0.17	5.36
34	0.23	0.05	0.18	5.18
35	0.23	0.05	0.18	5.01
36	0.23	0.05	0.18	4.83
Third Year	2.70	0.66	2.05	
37	0.23	0.04	0.18	4.65
38	0.23	0.04	0.18	4.47
39	0.23	0.04	0.18	4.28
40	0.23	0.04	0.19	4.10
41	0.23	0.04	0.19	3.91
42	0.23	0.04	0.19	3.72
43	0.23	0.03	0.19	3.53
44	0.23	0.03	0.19	3.33
45	0.23	0.03	0.19	3.14
46	0.23	0.03	0.20	2.94
47	0.23	0.03	0.20	2.75
48	0.23	0.03	0.20	2.55
Fourth Year	2.70	0.42	2.28	
49	0.23	0.02	0.20	2.34
50	0.23	0.02	0.20	2.14
51	0.23	0.02	0.21	1.94
52	0.23	0.02	0.21	1.73
53	0.23	0.02	0.21	1.52
54	0.23	0.01	0.21	1.31
55	0.23	0.01	0.21	1.09
56	0.23	0.01	0.21	0.88
57	0.23	0.01	0.22	0.66
58	0.23	0.01	0.22	0.44
59	0.23	0.00	0.22	0.22
60	0.23	0.00	0.22	0.00
Fifth Year	2.70	0.15	2.55	

Project For :
Plastic Granules Manufacturing

(Rs. Lacs)

K. WORKING CAPITAL

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Total Inventory	5.43	8.81	12.67	17.00	21.31	25.87
2	Sundry Debtors	1.72	2.07	2.41	2.75	2.93	3.10
	Total	7.15	10.88	15.08	19.75	24.24	28.97
3	Bank C.C. (90 per cent)	6.44	9.79	13.57	17.78	21.82	26.07
4	Own Contribution (10%)	0.72	1.09	1.51	1.98	2.42	2.90

Project For :
Plastic Granules Manufacturing

(Rs. Lacs)

L. CURRENT ASSETS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Cl. Stock of Materials	2.35	5.17	8.45	12.21	16.20	20.43
2	Cl. Stock of Finished Goods	3.09	3.65	4.22	4.79	5.11	5.44
	Total Inventory	5.43	8.81	12.67	17.00	21.31	25.87
3	Cash and bank Balance	14.02	17.98	23.74	30.97	38.49	48.87
4	Sundry Debtors	1.72	3.79	6.20	8.95	11.88	14.98
	Total	21.18	30.58	42.61	56.92	71.68	89.71

Project For :
Plastic Granules Manufacturing

M. FIXED ASSETS AND DEPRECIATION

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Land & Buildings						
	Op. Balance	-	4.28	3.85	3.46	3.12	2.80
	Additions	4.75	-				
	Total	4.75	4.28	3.85	3.46	3.12	2.80
	Less : Depreciation	0.48	0.43	0.38	0.35	0.31	0.28
	Cl. WDV	4.28	3.85	3.46	3.12	2.80	2.52
2	Plant & Machinery						
	Op. Balance	-	5.31	4.52	3.84	3.26	2.77
	Additions	6.25	-				
	Total	6.25	5.31	4.52	3.84	3.26	2.77
	Less : Depreciation	0.94	0.80	0.68	0.58	0.49	0.42
	Cl. WDV	5.31	4.52	3.84	3.26	2.77	2.36
3	Furniture & Electricals						
	Op. Balance	-	0.45	0.41	0.36	0.33	0.30
	Additions	0.50	-				
	Total	0.50	0.45	0.41	0.36	0.33	0.30
	Less : Depreciation	0.05	0.05	0.04	0.04	0.03	0.03
	Cl. WDV	0.45	0.41	0.36	0.33	0.30	0.27
	Total Depreciation	1.46	1.27	1.10	0.96	0.83	0.73
	Cl. WDV	10.04	8.77	7.67	6.71	5.87	5.15