

PLASTIK BUCKET

1. INTRODUCTION

Plastic Buckets have been used in Indian households for over 30 years in every strata of society. The traditional galvanised iron, aluminium and brass buckets have been to a great extent replaced by HDPE moulded buckets. The important performance characteristics they provide include lightness, unbreakability, ease in handling, safety in use, resistance to boiling water and chemicals, color variability to match environment and economical cost. The HDPE Buckets are available in the market ranging from 13.5 liters to 25 liters capacity. However, the bucket having 21 liter capacity is the most popular in the market.

2. PRODUCTS AND ITS APPLICATION

Plastic bucket can be determined in each household. Plastic bucket has many uses; some use it for bathing, and some for storing eatable object. Plastic buckets are also used for commercial reason for transportation and packaging.

3. DESIRED QUALIFICATION FOR PROMOTER

The Promoter should have preferably a basic degree in plastic engineering/ processing or a degree/ diploma in engineering / or a degree in chemistry. Experience of at least two to three years in plastic industry is desirable.

4. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY

In accordance with the Working Group Report on Petrochemicals, Ministry of Chemicals & Fertilizers, the demand of total HDPE Injection Moulded items including buckets in India is projected to be 2400 Kilo Tones by 2017-18 having growth rate @ 16%.

However, the moulded buckets and mugs are fast moving items. The growth rate and demand is envisaged on an average 11 – 12 percent per annum.

5. RAW MATERIAL REQUIREMENTS

HDPE Granules

6. MANUFACTURING PROCESS

HDPE Buckets can be moulded on Ram type or Screw type preplasticiser machines. The latter is preferred. The process involves feeding the raw material to the machine through a hopper. The barrel is heated to melt the material, which is injected into the mould halves by the forward movement of the screws into the cavity. The mould cavity is cooled by passage of water at ambient or low temperature to freeze the molten material. The pressure of the screw is held for some time and then it retracts by screw rotation. At the end of the moulding and cooling cycle, the mould halves open and the moulded item is extracted manually or automatically. Thus the entire moulding cycle comprising injection, holding the injection pressure, cooling and the idle time for extracting the moulding is completed.

7. MANPOWER REQUIREMENT

Sr. No.	Particulars	Nos	Salary
1	Production Engineer	1	12000
2	Manager	1	12000
3	Sales Executive	1	10000
4	Accountant	1	10000
5	Store Keeper	1	8000
6	Watchman	2	14000
7	Skilled Workers	4	32000
8	Helpers	4	24000
9	Electrician	1	7000
	Total	16	129000

8. IMPLEMENTATION SCHEDULE

Sr. No.	Particulars	Time Period
1	The Time requirement for preparation of Project report	Two months
2	Time requirement for selection of S	One month
3	Time required for registration as Small Scale Unit	One Week
4	Time required for acquiring the loan Machinery procurement, erection and commissioning	Three Months
5	Recruitment of labourer etc.	One month
6	Trial runs	One month

9. COST OF PROJECT

Sr. No.	Particulars	Rs. In lakhs
1	Land and Building	38.00
2	Plant and Machinery	46.30
3	Miscellaneous Assets	3.50
4	P & P Expenses	3.00
5	Contingencies @ 10% on land and building and plant and machinery	8.43
6	Working capital margin	23.21
	Total	122.44

10. MEANS OF FINANCE

Sr. No.	Particulars	Rs. (lakhs)
1	Promoter's contribution	36.732
2	Bank Finance	85.708
3	Total	122.44

11. WORKING CAPITAL CALCULATION

Sr. No.	Particulars	Rs. lakhs	Stock Period days	Promoter Margin	Margin Amt.	Bank Finance
1	Salaries and wages	1.29	30	1	1.29	-
2	Raw material and packaging material	20.16	30	0.5	10.08	10.08
3	Utilities	1.08	30	0.5	0.54	0.54
4	Debtors	28.26	30	0.4	11.304	16.956
	Total	50.79			23.214	

12. LIST OF MACHINERY REQUIRED

Sr. No.	Particulars	Rs. lakhs
1	Injection Moulding 350 Ton Capacity	40.00
2	Compressor 5 Kg Pressure	0.30
3	Cooling Tower	2.50
4	Scrap Grinder	1.50
5	Moulds & Dies	2.00
	Total	46.30

13. PROFITABILITY CALCULATIONS

Sr. No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
(A)	Sales Realization per annum	23736384	27127296	30518208	30518208	30518208
(B)	Cost of Production					
1	Raw material per annum	16934400	19353600	21772800	21772800	21772800
2	Utilities	903000	1032000	1161000	1161000	1161000
3	Salaries	1548000	1671840	1795680	1919520	2043360
4	Repairs and maintenance	270000	290000	310000	330000	350000
5	Selling expenses (3% on sales value)	712091.5	813818.9	915546.2	915546.2	915546.2
6	Administrative Expenses (other expenses)	450000	500000	550000	600000	650000

Sr. No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
	Total	20817492	23661259	26505026	26698866	26892706
	(C) Profit before interest & depreciation	2918892	3466037	4013182	3819342	3625502
	depreciation	1264500	1264500	1264500	1264500	1264500
	Profit Before term loan and tax	1654392	2201537	2748682	2554842	2361002
	Interest on term loan (11%)	909117	808104	673420	538736	404052
	Profit before tax	745275.5	1393433	2075262	2016106	1956950
	Tax (30%)	223582.6	418029.9	622578.5	604831.7	587084.9
	Total Profit	521692.8	975403.2	1452683	1411274	1369865

14. BREAKEVEN ANALYSIS

Fixed Cost (FC):	Rs. In lakhs
Wages & Salaries	15.48
Repairs & Maintenance	2.7
Depreciation	12.65
Admin. & General expenses	4.5
Interest on Term Loan	9.09
Total	44.42

Fixed Cost: 44.42

Profit After Tax: 5.22

$$\text{BEP} = \text{FC} \times 100 / \text{FC} + \text{P}$$

$$44.42 / 49.64 \times 70 / 100 \times 100$$

62.64 %