



## PROJECT PROFILE FOR PAPER BAGS

Category : Manufacturing

Total Cost of Project : Rs. 1,45,000/-

BEP : 33 %

### I. INTRODUCTION OF BUSINESS IDEA :

Plastic bags have been in use in almost all the fields. However, the plastic has been causing a great problem in solid waste management. As such, many sectors paper bags are replacing the plastic bags. This unit is for the production of paper bags from newspapers.

### II. PRODUCT AND ITS APPLICATIONS:

The paper bags of different sizes are used in general stores, stationery stores, fruit shops and flower shops.

### III. MARKET POTENTIAL:

It has become necessary to replace the plastic with paper and hence wherever the paper bags are available, they are preferred. Promoter can have a tie up with the shop owners and supply as per their requirement on a regular basis.

### IV. CAPACITY-REVENUE (1<sup>ST</sup> YEAR):

Sl. No.	Product	Qty	Rate	Sales Amount
01	Paper bags of different sizes	24,000 Kg	22/Kg	5,28,000

### V. MANUFACTURING PROCESS AND QUALITY:

The newspaper are cleared and cut as per the required size. They are then folded, pasted with gum. After that they are pressed and packed in bundles of 10 Kgs.

### VI. COST OF PROJECT AND MEANS OF FINANCE, INCLUDING WORKING CAPITAL REQUIREMENTS:

#### A. COST OF PROJECT:

Sl. No.	Particulars	Amount (Rs).
1	Equipments	40,000
2	Other fixed assets	10,000
3	Preliminary and preoperative expenses	10000
4	Deposits	30,000
5	Working Capital Requirements	55,000
	<b>Total</b>	<b>1,45,000</b>



## B. MEANS OF FINANCE:

Sl. No.	Particulars	Amount (Rs).
1	Loan @ 75% (Excluding Deposits)	1,07,000
2	Equity	38,000
	<b>Total</b>	<b>1,45,000</b>

## C. WORKING CAPITAL REQUIREMENT:

Sl. No.	Particulars	Basis	Period	Amount
1	Raw-materials	1,60,000/12 x 1	1 month	13,000
2	Bills Receivable	5,28,000/12 x ½	½ month	22,000
3	Working expenses	LS		10,000
	<b>Total</b>			<b>55,000</b>

## VII. MAIN INPUTS REQUIREMENTS

### A. MACHINERY:

Sl. No.	Particulars	Qty	Amount
1	Paper cutting machine (hand operated)	1	20,000
2	Tools and Other accessories		10,000
3	Installation and Electrification		10,000
	<b>Total</b>		<b>40,000</b>

### B. RAW-MATERIALS (P.A.):

Sl. No.	Particulars	Qty	Rate	Total cost(Rs)
1	News paper	25,000 Kg	6	1,50,000
2	Gum & Rubber bands	200 kg		10000
	<b>Total</b>			<b>1,60,000</b>

### C. UTILITIES(P.A.):

Sl. No.	Particulars	Monthly Charges (Rs.)	Annual Charges (Rs.)
1	Electricity and water	1,000	12,000

### D. MAN-POWER REQUIREMENT:

Sl. No.	Workers	No.	Monthly Salary (Rs)	Annual Salary (Rs)
01	Skilled workers	1	5,000	60,000
02	Helper	1	4,000	48,000
	<b>Total</b>	<b>4</b>		<b>1,08,000</b>



#### E. INFRASTRUCTURE REQUIREMENT:

Building	600 Sft. rented building
Power	Power for general lighting is required.
Water	Water for general purposes required.

#### VIII. PROFITABILITY PROJECTION (ANNUAL):

Particulars	Basis	Amount ( Rs)
Sales Revenue (Projected)	Ref: IV	5,28,000
Raw Materials	Ref: VII B	1,60,000
Man Power Expenses	Ref: VII D	108,000
Utilities	Ref: VIIC	12,000
Interest	@12%	13,000
Depreciation	SLM @ 20%	8,000
Overheads	Rent, maintenance etc	60,000
<b>Total Expenses</b>		<b>361,000</b>
<b>Profit</b>		<b>167,000</b>

#### IX. FINANCIAL INDICATOR:

$\frac{\text{Break Even Point FC}}{\text{SR-VC}} * 100$	$\frac{81,000}{2,48,000} \times 100$	33%
Payback period Cost of project Profit+ Depn.	$\frac{1,45,000}{1,75,000}$	Less than 1 year

#### ADDRESS:

#### X. SUPPLIERS OF MACHINERY / EQUIPMENTS:

Ambika Machineries,  
210/1, Akkipet Main Road,  
Bangalore - 560 053.  
Ph. No. 080-22260407