

Khadi and Village Industries Commission Mumbai

**PROJECT PROFILE ON PAPER CARRY BAGS**

**Introduction :**

Paper bags find extensive used in packaging in day-to-day life from textiles, bakery products, grocery, medicines and cosmetics to stationery items, of late of use has increased due to the ban of certain type of plastic carry bags that create environmental pollution. Due to the bio degradability of paper and its origin from nature source, it has got an added advantage in packaging.

**1 Name of the Product : PAPER CARRY BAGS**

**2 Project Cost :**

a Capital Expenditure

Land	:			Own
Work shed in sq.ft rented	:	0	Rs.	-
Equipment	:		Rs.	418,000.00

Fully automatic Heavy & Special type paper carry Bag forming machine and Accessories like, Double colour/four colour flexo printing unit attachment, 3 HP motor for Main drive, 12 Nos. Flat type size forming Dies, 12 nos, Gasset type. Gear Wheel, Stereo design roller and one bag control unit. other accessories required, Electrification and installation, Office furniture and tools.

Total Capital Expenditure		Rs.	418,000.00
b Working Capital		Rs.	1,275,000.00
<b>TOTAL PROJECT COST :</b>		<b>Rs.</b>	<b>1,693,000.00</b>

**3 Estimated Annual Production Capacity:**

(Rs. in 000)

Sr.No.	Particulars	Capacity in No.	Rate Rs.	Total Value
1	PAPER CARRY BAGS	2000000 .	2.76	5523.52
<b>TOTAL</b>		<b>0.00</b>	<b>2.76</b>	<b>5523.52</b>

4	Raw Material	:	Rs.	4,560,000.00
5	Labels and Packing Material	:	Rs.	75,000.00
6	Wages (3-Skilled & 2- Unskilled)		Rs.	384,000.00
7	Salaries (1-Manager)		Rs.	120,000.00

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<b>8</b>	<b>Administrative Expenses</b>	<b>:</b>	<b>Rs.</b>	<b>75,000.00</b>
<b>9</b>	<b>Overheads</b>	<b>:</b>	<b>Rs.</b>	<b>60,000.00</b>
<b>10</b>	<b>Miscellaneous Expenses</b>	<b>:</b>	<b>Rs.</b>	<b>25,000.00</b>
<b>11</b>	<b>Depreciation</b>	<b>:</b>	<b>Rs.</b>	<b>41,800.00</b>
<b>12</b>	<b>Insurance</b>	<b>:</b>	<b>Rs.</b>	<b>4,180.00</b>
<b>13</b>	<b>Interest (As per the PLR)</b>			
	<b>a. C.E.Loan</b>	<b>:</b>	<b>Rs.</b>	<b>54,340.00</b>
	<b>b. W.C.Loan</b>	<b>:</b>	<b>Rs.</b>	<b>165,750.00</b>
	<b>Total Interest</b>		<b>Rs.</b>	<b>220,090.00</b>
<b>14</b>	<b>Working Capital Requirement</b>	<b>:</b>		
	<b>Fixed Cost</b>		<b>Rs.</b>	<b>278,520.00</b>
	<b>Variable Cost</b>		<b>Rs.</b>	<b>5,244,750.00</b>
	<b>Requirement of WC per Cycle</b>		<b>Rs.</b>	<b>1,380,818.00</b>

**15 Cost Analysis**

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
<b>1</b>	<b>Fixed Cost</b>	<b>278.52</b>	<b>167.11</b>	<b>194.96</b>	<b>222.82</b>
<b>2</b>	<b>Variable Cost</b>	<b>5245.00</b>	<b>3147.00</b>	<b>3671.50</b>	<b>4196.00</b>
<b>3</b>	<b>Cost of Production</b>	<b>5523.52</b>	<b>3314.11</b>	<b>3866.46</b>	<b>3894.32</b>
<b>4</b>	<b>Projected Sales</b>	<b>6000.00</b>	<b>3600.00</b>	<b>4200.00</b>	<b>4800.00</b>
<b>5</b>	<b>Gross Surplus</b>	<b>476.48</b>	<b>285.89</b>	<b>333.54</b>	<b>381.18</b>
<b>6</b>	<b>Expected Net Surplus</b>	<b>435.00</b>	<b>244.00</b>	<b>292.00</b>	<b>339.00</b>

- Note :
- 1.All figures mentioned above are only indicative.
  - 2.This is model project profile for guidance
  - 3.Cost of Project, and its prioiflity will be changed depends on the area, availability of raw Material, man power, power requirement and various other factors etc..