



PLASTIC COLLAPSIBLE TUBE

Introduction

A tube could be a soft instrumentation which might be used for liquids like creams, ointments, gel & paste. Basically, a tube could be a cylindrical, hollow piece with a spherical or oval profile, manufactured from plastic, paperboard, or aluminum.

Tube containers may also be made in plastic, most ordinarily letter. The employment of plastic tubes is extremely standard for the storage of Cosmetics like hand creams etc. and additionally some food stuffs. The plastic tube retains its form once every "squeeze" not like laminate tubes like dentifrice tubes. Plastic tubes may also be extremely adorned or have a special additive like mug to form the tube a lot of appealing throughout use or purpose of sale (POS).

Market Potential

The Indian plastic tube market was \$114 million in 2018 and is anticipated to grow at a CAGR of eight.3% throughout the forecast amount. The expansion of the market is attributed to the combination of printing and style technology by plastic tube makers that enhance the packaging capabilities and have sturdy economic prospects. Advanced packaging technology has allowed corporations to introduce innovation in product instead of adhere to ancient packaging strategies. Several corporations, therefore, adopt property and intelligent innovation in their product styles.

The popularity of plastic collapsible tubes is increasing due to the fact that they are extremely tough and unbreakable, durable transparent to opaque, light in weight, non-toxic, unaffected by humidity environment, & economical, hygienic and corrosion instant & chemically inert, as compared to metallic ones, and keep the color and flavor of the ingredients intact. It is envisaged that plastic collapsible tubes have tremendous potential in our country due to their various advantages over metallic collapsible tubes. With the growth of industry, the demand for packaging products has also increased. Plastic collapsible tubes, due to their varied qualities, have become very popular for packing toiletries and cosmetics.

Product Uses

These plastic collapsible tubes are being widely used for packaging of adhesives, art colors, creams, lubricants etc. They are suitable for packaging of lotion cosmetics, tooth-pastes, shaving creams, hair cream; face cream, auto cleaners, polishes etc.

Cost of Project

Particulars	Amt. (Rs. In Lakhs)
Leasehold land	1.60
Civil works and Buildings (2000 sq. ft. @1500/-)	30.00
Plant and machinery	40.90
Misc. Fixed Assets	1.10
Escalation & Contingencies	3.68
Preliminary & Pre-Operative Expenses	4.15
Sub-total (A)	81.42
Working Capital Margin @40% of Total WC Requirement	10.80
Total Project Cost	92.22
Total Working Capital Required (B) 25% of 1st Year Proj. Turnover	27.00
MEANS OF FINANCE	
Total funds required (A+B)	108.42
Loan component	
Term loan (60% of A)	48.85
Working capital (60% of B)	16.20
TOTAL	65.05
Equity	43.37
TOTAL	108.42

Detailed Cost Element

SL	Particulars	Qty.	Amt. (Rs. In Lakhs)
1	Plastic tube making machine	1	40.90
	Total		40.90

Contingencies and Escalations

It has been assumed at approximately 5% at cost of project.

Preliminary Expenses

Particulars	Amt. (Rs. In Lakhs)
Incorporation Expenses	0.15
Project Report Preparation and Consultation	0.35
Feasibility and Engineer's/Architect's Report and Plans	0.75
Rent payments upto the start of commercial production	0.30
Legal Charges	0.05
Other recurring expenses up to start of commercial production	1.50
Interest Cost for period before commercial operation	1.05
Total	4.15

Salary

Designation	Quantity	Amt. (Rs. In Lakhs)
Production Manager	1	6.00
Skilled labour	5	12.00
Unskilled labour	10	15.00

Profitability Statement

	Amt. (Rs. In Lakhs)				
Particulars	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5
A. INCOME					
Production Capacity (units/per annum)	2,16,00,000	2,16,00,000	2,16,00,000	2,16,00,000	2,16,00,000
Capacity utilisation	50%	55%	60%	65%	70%
Production During the year	1,08,00,000	1,18,80,000	1,29,60,000	1,40,40,000	1,51,20,000
Annual turnover	108.00	118.80	129.60	140.40	151.20
Total Income/Annum	108.00	118.80	129.60	140.40	151.20
B. OPERATING EXPENSES					
Raw materials	30.78	33.86	36.94	40.01	43.09
Salary	33.00	36.30	39.93	43.92	48.32
Repair & Maintenance	0.82	0.85	0.88	0.92	0.96
Lease Rent	1.20	1.20	1.20	1.20	1.20
Power & utilities	1.12	1.12	1.12	1.12	1.12
Depreciation	10.66	10.66	10.59	10.53	10.53
Total Operating	77.57	83.99	90.66	97.71	105.21
Operating Profit (A-B)	30.52	34.91	38.97	42.66	45.95
C. FINANCIAL					
Interest on loan	5.73	5.09	4.15	3.21	2.19
D. Other Expenses					
Administrative & general expenses	3.24	3.56	3.89	4.21	4.54
Total Expenses	8.97	8.65	8.04	7.42	6.73
Profit before Tax	21.45	26.16	30.90	35.27	39.25
Provision for Tax	5.36	6.54	7.72	8.82	9.81
Profit after Tax (PAT)	16.09	19.62	23.17	26.45	29.44
Dividend declared	0.00	0.00	0.00	0.00	0.00
Retained profit	16.09	19.62	23.17	26.45	29.44

Breakeven Point

Break Even Point (BEP)		Amt. (Rs. In Lakhs)				
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
A.	Net Sales	108.00	118.80	129.60	140.40	151.20
B.	Variable Cost					
	Electricity Charges	1.12	1.12	1.12	1.12	1.12
	Raw Material	30.78	33.86	36.94	40.01	43.09
	Administrative & general expenses	3.24	3.56	3.89	4.21	4.54
	Total Variable Cost	35.14	38.54	41.94	45.35	48.75
C.	Contribution (A-B)	72.86	80.26	87.66	95.05	102.45
D.	Fixed and Semi-Fixed					
	Labour Charges	33.00	36.30	39.93	43.92	48.32
	Lease rental	1.20	1.20	1.20	1.20	1.20
	Repair & Maintenance	0.82	0.85	0.88	0.92	0.96
	Interest on term Loan	5.73	5.09	4.15	3.21	2.19
	Depreciation	10.66	10.66	10.59	10.53	10.53
	Total Fixed Cost	51.41	54.09	56.76	59.78	63.20
E.	Breakeven Point	71%	67%	65%	63%	62%
F.	Cash BEP	56%	54%	53%	52%	51%

Debt-Service Coverage Ratio

		Amt. (Rs. In Lakhs)				
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
i	PAT	16.09	19.62	23.17	26.45	29.44
ii	Depreciation	10.66	10.66	10.59	10.53	10.53
iii	Interest	5.73	5.09	4.15	3.21	2.19
A	Total (i + ii +iii)	32.48	35.37	37.92	40.19	42.17
i	Interest	5.73	5.09	4.15	3.21	2.19
ii	Principal repayment	5.52	11.03	11.03	11.03	11.03
B	Total (i +ii)	11.25	16.12	15.18	14.24	13.23
	DSCR (A /B)	2.89	2.19	2.50	2.82	3.19

Interest on Term Loan and Principal Repayment

Refer **ANNEXURE – I** for loan repayment Schedule.

We have assumed the repayment tenure of term loan for a period of 7 years, rate of interest being @8.5% with the moratorium period being 9 months.

Address of Vendors

Name of the vendor	Address and Contact Number
R. R. Plast Extrusions Pvt. Ltd.	B-3, Nand Jyot-Ind. Estate, Safed Pool, Sakinaka, Andheri-Kurla Road, Andheri (E), Mumbai-400 072, India Contact No.- 91-22-42461500

ANNEXURE- I

Year	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annually
O													
Principal													
Opening	48.85	49.20	49.55										
Repaid													-
Closing	49.20	49.55	49.90										
Interest	0.35	0.35	0.35										1.05
	3.33												
I													
Principal													
Opening	66.10	66.57	67.04	67.51	67.99	68.47	68.96	68.53	68.09	67.66	66.74	65.82	
Repaid	-	-	-	-	-	-	0.92	0.92	0.92	0.92	0.92	0.92	5.52
Closing	66.57	67.04	67.51	67.99	68.47	68.96	68.53	68.09	67.66	66.74	65.82	64.90	
Interest	0.47	0.47	0.47	0.48	0.48	0.49	0.49	0.49	0.48	0.48	0.47	0.47	5.73
II													
Principal													
Opening	64.90	63.98	63.06	62.14	61.22	60.30	59.38	58.46	57.54	56.62	55.70	54.78	
Repaid	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	11.03
Closing	63.98	63.06	62.14	61.22	60.30	59.38	58.46	57.54	56.62	55.70	54.78	53.87	
Interest	0.46	0.45	0.45	0.44	0.43	0.43	0.42	0.41	0.41	0.40	0.39	0.39	5.09
III													
Principal													
Opening	53.87	52.95	52.03	51.11	50.19	49.27	48.35	47.43	46.51	45.59	44.67	43.75	
Repaid	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	11.03
Closing	52.95	52.03	51.11	50.19	49.27	48.35	47.43	46.51	45.59	44.67	43.75	42.83	
Interest	0.38	0.38	0.37	0.36	0.36	0.35	0.34	0.34	0.33	0.32	0.32	0.31	4.15
IV													
Principal													
Opening	42.83	41.91	40.99	40.07	39.15	38.23	37.31	36.40	35.48	34.56	33.64	32.72	
Repaid	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	11.03
Closing	41.91	40.99	40.07	39.15	38.23	37.31	36.40	35.48	34.56	33.64	32.72	31.80	
Interest	0.30	0.30	0.29	0.28	0.28	0.27	0.26	0.26	0.25	0.24	0.24	0.23	3.21
V													
Principal													
Opening	31.80	30.88	29.96	29.04	28.12	27.20	26.28	25.36	24.44	23.52	22.60	21.68	
Repaid	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	11.03
Closing	30.88	29.96	29.04	28.12	27.20	26.28	25.36	24.44	23.52	22.60	21.68	20.76	
Interest	0.22	0.21	0.21	0.20	0.19	0.19	0.18	0.17	0.17	0.16	0.15	0.15	2.19
VI													
Principal													
Opening	20.76	19.85	18.93	18.01	17.09	16.17	15.25	14.33	13.41	12.49	11.57	10.65	
Repaid	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	11.03
Closing	19.85	18.93	18.01	17.09	16.17	15.25	14.33	13.41	12.49	11.57	10.65	9.73	
Interest	0.15	0.14	0.13	0.13	0.12	0.11	0.11	0.10	0.09	0.09	0.08	0.08	1.34
VII													
Principal													
Opening	9.73	8.81	7.89	6.97	6.05	5.13	4.21	3.30	2.38	1.46	0.54	-	
Repaid	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.54	0.54	
Closing	8.81	7.89	6.97	6.05	5.13	4.21	3.30	2.38	1.46	0.54	-	-	
Interest	0.07	0.06	0.06	0.05	0.04	0.04	0.03	0.02	0.02	0.01	0.00	-	0.40