

A starter's guide to
Paper cups.....



**JAMMU & KASHMIR
ENTREPRENEURSHIP
DEVELOPMENT INSTITUTE**

Information Brochure of Paper cups.

Introduction

Paper cups are disposable cups made out of paper and coated with wax or plastic or with starch to prevent liquid from soaking the paper. Paper cups are made using food grade paper, which is hygienic and capable of storing both, hot or cold liquid for long times. With the rising awareness and rapidly changing lifestyles, the demand for paper cups has increased tremendously year on year.



Market Scope

Paper cups are becoming more and more popular across the globe as a way to become more eco-friendly and reduce exposure to food borne infections. Paper cups demand are majorly in educational institutions, food canteens, industrial canteen, restaurants, coffee or tea shop, fast food, super markets, health clubs and event organizers. As paper cups are a product of daily use and have mass consumption requirements, selling of paper cups in the market will not be a problem. With well established demand and supply forces, the prices of paper cups in the market can be easily ascertained and sold in bulk to traders or end customers through a variety of channels.

Process:

There are mainly three stages in manufacturing a paper cup. In the first stage, the paper cup's sidewall paper is shaped and formed. In the second stage, the paper cups bottom paper is shaped and joined with the shaped side wall. In this third and final stage, the paper cup is pre-heated and bottom / rim curling is done to complete the paper cup manufacturing.

Raw Material:

Printed/Plain PE paper, Bottom reel and packing material as raw material are required for making the paper cups.

Land & Building Requirement:

Land: 1 Kanal Appx. (Owned/Leased)

Building Details:	Area
Shed/Processing Area	20 x30 Sq ft
Raw Material Store	20x15 Sq ft
Finished Goods Store	20x20 Sq ft
Office Area	10x10 Sq ft
Care Taker Room	10x15 Sq ft
Bathroom:	8x6 Sq ft

Machinery & Equipment Details:

- Paper cups Making Machine Automatic
- Molds & Dies.
- Office Equipments etc

Cost of the Project:

Land & Site Development	Owned/Leased
Building / Structure	Rented.
Plant & Machinery /Equipments	8.00 Lakhs.
Misc. Fixed Assets	0.50 Lakhs.
Working Capital / Operational Cost (Per cycle)	5.50 Lakhs.
Total	14.00 Lakhs

Annual Sales Details:

Sales from 5184000 cups (150ML& 200 ML)	22.03 Lakhs / Annum.
---	----------------------

Assumptions:

- Working Capital has been calculated on Turnover Method.
- Production capacity has been taken as 60%.
- Rate of cup has been taken as Rs 0.45/200 ML Cup & Rs 0.40/ 150ml cup.
- Production cycle has been taken as quarterly.
- The cups with capacity of 150 ML & 200 ML shall be produced.

Manpower Details:

The labor requirement for setting up of paper cup manufacturing is minimal. Only about 3-4 persons are required.

Opportunity:

- Huge demand in Marriage seasons, Parties & Picnic Spots.
- The products are mainly imported.
- The marketability can be increased by keeping costs lower than imported items while maintaining quality.

Challenges:

- The standard of quality should be always maintained at par with imported products.
- Price fluctuation and availability of Raw material
- Developing distribution network across Districts
- Raw material like PE coated paper & other material paper are to be imported.

Relevant Government Departments:

- J&K State Pollution Control Board (JKSPCB) For NOC /Consent to Operate
- J&K SIDCO for Land Allotment.
- J&K Power Development Dept. (PDD) - For Electricity Connection.
- J&K Public Health Engineering Dept. (PHE)- For Water Connection.
- Concerned District Industries Centre (DIC)- For SSI Registration.
- Sales Taxes Department J&K for GSTIN

Disclaimer: Users of this document should not solely rely on the information contained here and are advised to consult domain experts prior to the start of their venture based on the identified market opportunity