KALVEE BUSINESS SOLUTIONS / BUSINESS PROJECT PROPOSAL

PAPER BAG MANUFACTURING UNIT

Detailed Project Report • Bank Loan Application Support

INDIA | ILLUSTRATIVE MODEL | NOVEMBER 2026

PROJECT COST	ILLUSTRATIVE BANK FACILITY
₹14,50,000	₹11,60,000

APPLICANT & LENDER DETAILS

Item	Applicant to complete
Proposed firm / proprietor	_____
Location / proposed premises	_____
Bank and branch	_____
Proposal date	_____

DOCUMENT STATUS A planning model, not an approved loan or certified valuation. Replace borrower blanks and verify the financial figures, actual quotations, orders, licences and bank credit terms before submission.

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OFFICIAL PORTALS

PMEGP - KVIC

MUDRA - Department of Financial Services

Udyam registration

Kalvee Business Solutions

IMPORTANT The report contains illustrative operating profit, not audited results. Financial sanction, subsidy eligibility, debt service and compliance are subject to independent lender / authority verification.

01 | Covering letter & borrower profile

To: The Branch Manager Branch: _____ Date: _____

Subject: Request for business financing of ₹11,60,000 for Paper Bag Manufacturing Unit

Dear Sir / Madam,

I / We propose to establish the above business at the location stated in this proposal. The illustrative project cost is ₹14,50,000, comprising promoter contribution of ₹2,90,000 and proposed bank finance of ₹11,60,000. I / We request consideration of an appropriate lending facility, subject to bank appraisal and approval.

The enclosed DPR provides startup costs, proposed market, working arrangements, illustrative sales and expenditure, possible financial-product routes, expected risks and a repayment illustration. All model data must be updated with locality-specific research, actual offers, applicant records and lender-approved terms.

Yours faithfully, Applicant signature: _____ Place: _____

Borrower / enterprise profile

Borrower information	Value
Applicant / proprietor name	_____
Proposed firm, constitution and PAN	_____
Address / project district	_____
Contact details (mobile and email)	_____
Experience / technical qualification	_____
Current registration / Udyam, if any	_____
Proposed launch / financing date	_____

02 | Executive project summary

Business category: MSME manufacturing. Operating model: Buyer-approved size/GSM and artwork → source kraft rolls → print/cut → fold and glue → handle attachment → strength/QC → bundle, invoice and dispatch.

Parameter	Illustrative planning assumption
Total project cost	₹14,50,000
Promoter contribution	₹2,90,000
Bank finance requested	₹11,60,000
Target output / bookings	80,000 mixed-size paper bags produced and sold monthly
Monthly sales	₹4,16,000
Model monthly cost including allowances	₹3,72,000

Model monthly remainder	₹44,000

03 | Capital investment & means of finance

The capital items below reproduce the current Kalvee business-plan model. Obtain at least three written supplier quotations, confirm taxes and installation requirements and identify what the bank will classify as fixed assets versus working capital.

Investment component	Amount
Semi-automatic bag-making machine	₹6,50,000
Printing, cutting dies and handle attachment	₹1,80,000
Electrical installation and finishing equipment	₹1,10,000
QC, tables and small office items	₹70,000
Premises deposit and initial fitting	₹90,000
Paper, ink, wages and debtor-cycle working capital	₹3,50,000
TOTAL PROJECT COST	**₹14,50,000**

Proposed financing mix

Funding source	Amount
Promoter contribution	₹2,90,000
Proposed bank term / working-capital financing	₹11,60,000
TOTAL	**₹14,50,000**
PLAN THIS SCALE Manual/small workshop ₹3–6 lakh; semi-automatic model with working capital about ₹14.5 lakh.	

Requested bank facility: amount and split are illustrative and must be revised with lender, based on quotations, margin requirements, collateral policies, cash-flow assumptions and borrowing need.

04 | Operations, customers & staffing

Production / service workflow

Buyer-approved size/GSM and artwork → source kraft rolls → print/cut → fold and glue → handle attachment → strength/QC → bundle, invoice and dispatch.

Materials and quality controls

Kraft paper, inks, adhesives, paper/string handles and carton packs; track GSM, printing proofs, adhesive strength and moisture damage.

People and premises

- Two machine operators, one dispatch/packing assistant and the owner, approximately four people.
- 600–1,000 sq. ft. dry workspace with loading space, machinery guards and suitable power connection.

Buyer segments and sales channels

- Pharmacies, retailers, supermarkets, food takeaway outlets, boutiques and B2B packaging distributors.
- Buyer sample kits, signed dimensions/print specifications, reorder commitments and credit screening; avoid long receivable periods without working capital.

05 | Monthly profit and loss

The monthly income and cost values reproduce the published Kalvee business idea, and are educational examples rather than observed transactions. Owner labour allowance and other non-cash accounting estimates are included; income-tax reserve is not a statutory computation.

Sales model: 80,000 bags per month × ₹5.20 blended realised selling price = ₹4,16,000 monthly sales

Expense / revenue item	Monthly amount
Kraft paper and paper-roll stock	₹1,90,000
Ink, gum, handles and printing consumables	₹40,000
Production and packing wages	₹38,000
Owner production/admin allowance	₹22,000
Workspace rent	₹20,000
Power and water	₹11,000
Dispatch and loading	₹14,000
Production rejects and damage	₹8,000
Machinery upkeep	₹5,000
Sampling and trade marketing	₹4,000
Illustrative loan interest	₹10,000
Machine depreciation	₹8,000
Illustrative income-tax reserve	₹2,000
TOTAL MONTHLY MODEL COST	**₹3,72,000**
MONTHLY SALES REVENUE	₹4,16,000
MODEL REMAINDER (SALES LESS MODEL COSTS)	**₹44,000**
INTERPRETATION This is a model remainder after included allowances, not guaranteed net income or available bank cash flow. No customer survey or invoice verification is implied.	

06 | Proposed bank facility & repayment

Illustrative lending assumptions only: ₹11,60,000 term-equivalent facility, 12% annual nominal interest, reducing monthly balance, 60 monthly instalments, no grace period or charges. The lender must independently determine facility type, term, rate and EMI.

Loan measure	Value
Proposed loan amount	₹11,60,000
Promoter margin	₹2,90,000
Illustrative annual rate	12.0%
Illustrative tenor	60 months
Estimated EMI	₹25,804
Monthly remainder per webpage	₹44,000
Illustrative depreciation and interest add-backs	₹18,000
Indicative cash after EMI, before working-capital change	₹36,196

CASH-SERVICE CAVEAT The business-page P&L already includes illustrative loan interest. For a simple cash comparison, its net is increased by included interest and depreciation then reduced by the illustrative full EMI. Actual bank cash-flow / DSCR analysis must also incorporate tax, stock, debtors, repayments, owner drawings and verified operations.

Illustrative loan amortisation by year

Period	Interest	Principal repaid	Debt service	Closing debt
Year 1	₹1,29,506	₹1,80,137	₹3,09,643	₹9,79,863
Year 2	₹1,06,660	₹2,02,983	₹3,09,643	₹7,76,881
Year 3	₹80,917	₹2,28,726	₹3,09,643	₹5,48,155
Year 4	₹51,909	₹2,57,734	₹3,09,643	₹2,90,421
Year 5	₹19,222	₹2,90,421	₹3,09,643	₹0

07 | Five-year projections & sensitivity

The following is only a mathematical planning scenario. It assumes monthly revenue grows 6% per year and the monthly cost model grows 5% per year; it is not the site's underlying forecast, bank-approved projection or evidence of future demand.

Year	Illustrative annual sales	Illustrative annual costs	Model annual remainder
1	₹49,92,000	₹44,64,000	₹5,28,000
2	₹52,91,520	₹46,87,200	₹6,04,320
3	₹56,09,011	₹49,21,560	₹6,87,451
4	₹59,45,552	₹51,67,638	₹7,77,914
5	₹63,02,285	₹54,26,020	₹8,76,265

Demand sensitivity using business-page baseline

Volume scenario	Monthly sales	Model monthly remainder
75% of model volume	₹3,12,000	₹3,000
100% baseline	₹4,16,000	₹44,000
125% of model volume	₹5,20,000	₹85,000

Stress-test warning: demand below the model is material, and available cash after EMI may be lower than the tabulated model remainder. Attach evidence of local demand, quotations, seasonal cash cycles and repayment reserves before seeking finance.

08 | Compliance, finance programmes & risk

Registration and approvals to verify

- Udyam registration; local industrial/premises and electrical/fire permissions as applicable
- Check SPCB/UT Pollution Control Committee applicability to printing and glue process
- GST, factory/OSH and labour obligations depend on actual operations and current law

Government financing routes to investigate

- PMEGP may support qualifying new manufacturing units with a bank-linked margin-money subsidy subject to eligibility.
- Bank MSME term loans, working-capital credit and MUDRA products may be considered by lender on eligible activities.

Scheme information is provided for discovery only; inclusion does not mean the business qualifies, applications are open or a grant will be sanctioned.

PMEGP - KVIC

MUDRA - Department of Financial Services

Udyam registration

Material business risks and mitigants

Material risk	Risk-control action
Raw-paper price volatility	Price and wastage review on every major order
Machine breakdown and rejects	Preventive machine maintenance and basic QC log
Moisture damage and strength complaints	Collect deposits for customised printing
Late receivables and disputed environmental claims	Do not claim certification without evidence

09 | Implementation & bank document checklist

Period	Key activities
Days 1–7	Interview at least 15 potential buyers, verify local demand and gather three supplier quotations.
Days 8–14	Validate technical competencies, suitable premises, applicable licences and operating constraints.
Days 15–21	Finalize lender-specific DPR, test small service/batch and approach bank or financing programme.
Days 22–30	Confirm buyer orders, bookkeeping, QC, margin testing and first-month working-capital controls.

Annexures normally requested by lenders

- ☐ Completed bank loan application and KYC
- ☐ Aadhaar/PAN and contact/address evidence
- ☐ Entity registration, Udyam and relevant activity licence, if applicable
- ☐ Lease/title permission for premises and site plan
- ☐ Three machinery/supplier quotations and cost breakdown
- ☐ Proof of promoter contribution / equity source
- ☐ Business plan, sales assumptions and customer enquiries / orders
- ☐ Available bank statements and income/ITR evidence
- ☐ Collateral / guarantor details only if required by selected bank product
- ☐ Applicant experience, training records and certificates
- ☐ 12-month cash-flow, repayment assessment and credit bureau consent

10 | Declaration, assumptions & official sources

Applicant declaration (sign after all blanks and evidence have been reviewed):

I / We declare that the details to be submitted with this proposal will be true and complete to the best of my / our knowledge. I / We understand the sample commercial and financial assumptions are not audited transactions or promised profit, that loan approval and subsidies depend on government and bank rules, and that the bank may require additional reports, securities, statements and revisions.

Completion field	Applicant to fill
Applicant / authorised signatory	_____
Place and date	_____
Bank branch / application reference	_____
Revised loan / equity proposal	_____
Verified monthly demand / quotation basis	_____
Actual scheme applied for (if any)	_____

Primary planning assumptions

- Finance, unit costs and sales are based on the site's illustrative model, updated 16 November 2026; not independently audited.
- No promised subsidy or tax concession is included as operating sales.
- EMI assumes a 12% nominal annual reducing-balance rate and 60 months solely to illustrate repayment.
- Five-year sensitivity projection is a new mathematical scenario and must be replaced by bank-approved assumptions.
- Independent accountant / bank officer review and applicant documentation are necessary before using this DPR for formal credit decisions.

Official references and project website

PMEGP - KVIC

MUDRA - Department of Financial Services

Udyam registration

Government scheme finder

Kalvee business plan

Kalvee Business Solutions

PREPARED BY KALVEE BUSINESS SOLUTIONS www.kalveebsolutions.com | Generic model proposal for borrower customisation, not an appraisal certificate, official sanction or warranty of financial performance.