

SISAL FIBRE HANDICRAFTS

1. INTRODUCTION

Sisal leaves are cut and fibre extracted through a Raspador machine. It is washed in water and dried in the sun. The fibre is then beaten to remove undesired particles. The dry fibre is used for making braids, which are dyed and made into attractive handicrafts.

2. MARKET

Sisal Fibre handicrafts are becoming popular in the present market scenario. They are being displayed as a decorative items in many households.

3. MANUFACTURING PROCESS

Used as substitute for jute in the preparation of handicrafts, processing of sisal fibre into various handicrafts.

4. PRODUCTION CAPACITY PER ANNUM

Capacity

15000 units

Selling Price

Rs. 30 per unit

5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Preliminary & Preoperative Expns	1000
2	Fixed Capital	100000
3	Working Capital for 2 month(s)	63900
	Total Project Cost	164900

6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	24735
2	Subsidy /Soft Loan	20%	32980
3	Term Loan	65%	107185
	Total		164900

7. FINANCIAL ASPECTS

A. FIXED CAPITAL

i. Land and Buildings

Rented

1000 per month

ii. Machinery and Equipment

S.No	Description	Qty.	Rate	Amount Rs.
1	Raspador machine	LS		100000

	Total			100000

B. WORKING CAPITAL

i. Salaries & Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Supervisor/Entrepreneur	1	2000	2000
2	Skilled Labour	2	1000	2000
	Total			4000

ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Sisal fibre, dyes, adhesive and decorative materials	Ton			26250
	Total				26250

iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	200
2	Water	LS	100
	Total		300

iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage & Stationery Expenses	100
2	Transportation Expenses	100
3	Consumable Stores	100
4	Miscellaneous Expenses	100
	Total	400

v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	1000
2	Salaries and Wages	4000
3	Raw Material	26250
4	Utilities	300
5	Other Expenses	400
	Total	31950

8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	383400
2	Depreciation @ 15%	15000
3	Interest @ 12%	12862
	Total	411262

9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1	Sisal Fibre Handicrafts	units	15000	30	450000
	Total				450000

10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	15000
2	Interest	12862
3	Rent	12000
4	Salaries & Wages @ 40%	19200
5	Other Expenses incl. Utilities @ 40%	3360
	Total	62422

11. PROFIT ANALYSIS & RATIOS

1	Net Profit	Rs.	38738
2	Percentage of Profit on Sales		9%
3	Percentage of Return on Investment		23%
4	Break Even Point		62%