

SISAL FIBRE UNIT

1. INTRODUCTION

Sisal Fibre is widely used in rope making and also manufacture of sacks and paper. This is extracted from the leaves of sisal plants which are abundantly available in the upland areas.

2. MARKET

This product has good scope in local market. Ropes are extensively used in agriculture operations and is handy on bullock cart while transportation of goods. The market for product is expected to grow in the rural market.

3. MANUFACTURING PROCESS

Leaves are passed through raspadar machine to separate the fibre from the pulp. The wet fibre is sun dried and twisted into ropes to required sizes in a rope making machine. The market for product is expected to grow in the rural market.

4. PRODUCTION CAPACITY PER ANNUM

Capacity

24000 Kgs

Selling Price

Rs. 9 Kgs

5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Preliminary & Preoperative Expns	3000
2	Fixed Capital	65000
3	Working Capital for 1 month(s)	14000
	Total Project Cost	82000

6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	12300
2	Subsidy	20%	16400
3	Term Loan	65%	53300
	Total		82000

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	1	50000	50000
2	Tools & Equipments	1	15000	15000
3		0	0	0
4		0	0	0
5		0	0	0
6		0	0	0
7		0	0	0
				0
				0
	Total			65000

B. WORKING CAPITAL

i. Salaries & Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Supervisor/Entrepreneur	1	3000	3000
2	Skilled Workers	1	2500	2500
3	Unskilled Workers	1	2000	2000
4		0		0
5		0	0	0
	Total			7500

ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Sisal Leaves		1	3000	3000
2					
3					
4			0	0	0
5			0	0	0
6			0	0	0
7			0	0	0
	Total				3000

iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	1000
2	Water	LS	500
	Total		1500

iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage & Stationery Expenses	0
2	Transportation Expenses	1000
3	Advertisement Expenses	0
4	Consumable Stores	0
5	Miscellaneous Expenses	0
	Total	1000

v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	1000
2	Salaries and Wages	7500
3	Raw Material	3000
4	Utilities	1500
5	Other Expenses	1000
	Total	14000

8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	168000
2	Depreciation @ 15%	9750
3	Interest @ 12%	6396
	Total	184146

9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1	Sisal Fibre Products	Kgs	24000	9	216000
	Total				216000

10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	9750
2	Interest	6396
3	Rent	12000
4	Salaries & Wages @ 40%	36000
5	Other Expenses incl. Utilities @ 40%	12000
	Total	76146

11. PROFIT ANALYSIS & RATIOS

1	Net Profit	Rs.	31854
2	Percentage of Profit on Sales		15%
3	Return on Investment		39%
4	Break Even Analysis		71%