



5. PROJECT PROFILE FOR BROOMSTICKS MANUFACTURING (BY USING GRASS)

Category : Manufacturing	Total Cost of Project	:	Rs. 196000/-
	BEP	:	49.8 %

I. INTRODUCTION OF BUSINESS IDEA :

Preparing of broomsticks from grass is a traditional industry. These broomsticks are used to clean the house, road, garden and bathroom etc.

II. PRODUCT AND ITS APPLICATIONS:

These broomsticks are used to clean the house, road, garden and bathroom etc.

III. MARKET POTENTIAL:

Broomsticks are required everywhere to keep the environment clean particularly in houses, residential buildings and commercial buildings also. The broomsticks are brought from branded manufacturers and made available in all general stores. Local manufacturers will have an advantage and hence there is good potential for these products.

IV. CAPACITY - REVENUE (1ST YEAR):

Sl.No.	Product	Qty	Rate	Sales Amount
01	Broomsticks	50000	25/-	1250000

V. MANUFACTURING PROCESS AND QUALITY:

The collected wet and dry grasses are dried in open sunlight. These dried grass sticks are segregated into different sizes and lengths. The sticks of uniform lengths and sizes are collected and grouped and tied with wires or threads to form the broomsticks and these broomsticks are sent for market.



VI. COST OF PROJECT AND MEANS OF FINANCE, INCLUDING WORKING CAPITAL REQUIREMENTS:

A. COST OF PROJECT:

Particulars	Amount in (Rs)
Equipments	40,000
Other fixed assets	10,000
Preliminary and preoperative expenses	10,000
Deposits	20,000
Working Capital Requirements	116000
Total	196000

B. MEANS OF FINANCE:

Particulars	Amount in (Rs)
Loan @ 75% (Excluding Deposits)	147,000
Equity	49000
Total	196000

C. WORKING CAPITAL REQUIREMENT:

Sl. No.	Particulars	Basis	Period	Amount
1	Raw-materials	645000/12 x 1	1 m	54,000
2	Bills Receivable	1250000/12 x 1/2	1/2 m	52000
3	Working exp	Lump sum	-	10,000
	Total			116,000

VII. MAIN INPUTS REQUIREMENTS

A. MACHINERY:

Sl. No.	Particulars	Qty	Amount
1	Kalifer/ Axe for cutting	10	20,000
2	Other tools	2sets	20,000
	Total		40,000

B. RAW-MATERIALS (P.A.):

Sl.No.	Particulars	Qty	Rate	Total cost(Rs)
1	Grass	35000 kg	15	525000
2	Sutli, wire etc	Rs. 10000	Per month	120,000
	Total			645000



C. UTILITIES:

Sl. No.	Particulars	Monthly Charges (Rs)	Annual Charges (Rs)
1	Electricity	1000	12,000

D. MAN-POWER REQUIREMENT:

Sl. No.	Workers	No.	Monthly Salary (Rs)	Annual Salary (Rs)
01	Skilled workers	2	7500	180000
02	Helper	2	5000	120,000
	Total	4		300000

E. INFRASTRUCTURE REQUIREMENT:

Building	Built up space of 500 sq.ft is required
Power	Normal lighting power connection is required
Water	Water is required.

VIII. PROFITABILITY PROJECTION (ANNUAL):

Particulars	Basis	Amount in (Rs)
Sales Revenue (Projected)	Ref: IV	12,50,000
Raw Materials	Ref: VII B	645,000
Man Power Expenses	Ref: VII D	300,000
Utilities	Ref: VIIC	12,000
Interest	@12%	18,000
Depreciation	@ 20%	8,000
Overheads	Rent, maintenance etc	120,000
Total Expenses		1103,000
Profit		147000

IX. FINANCIAL INDICATOR:

Break Even Point FC -----*100 SR-VC	146,000 -----*100 293000	49.8%
Payback period Cost of project ----- Profit+ Depn.	196000 ----- 155,000	1 year 3 months



ADDRESS:

X. SUPPLIERS OF EQUIPMENTS :

Local hardware merchants

RAW MATERIALS

Monkey brand brooms
Varoor,
Hubli.

XI. SPECIAL NOTE :

Workers to be trained in collection and separation of raw material.