

PROJECT PROFILE ON LEAF CUPS & PLATES MANUFACTURING UNIT

1. INTRODUCTION

Leaf cups and plates are traditionally made by hand in Indian villages. These are commonly used for serving food at marriages, religions and social functions. The laborious craft can now be converted into a machine operation to make these containers in elegant shapes and sizes. Such cups and plates are made out of plant leaves of beautia, arecanut sheath, banana etc. These have good dimensional stability and are inexpensive, hygienic and biodegradable.

2. MARKET DEMAND

There are more than 5,000 leaf cup making machines in operation in U.P., Bihar, M.P., Jharkhand, Himachal Pradesh, Gujarat, Maharashtra, A.P., Karnataka. There is a large scope for setting up cottage scale units. The cups and plates are also in large demand by hawkers, fast food restaurants, star-hotels, mass feeding and for prasadam in religious institutions.

PRODUCTION TARGETS

Basis of estimation: 300 Working Days in a Year
Single Shift basis
8 hours per shift

	Leaf cups & Plates
Quantity (Thousand Nos)	40000
Value (Rs)	800000

3. MANUFACTURING PROCESS

The leaf cup machine is a simple pedal operated machine, manually operated with minimum power consumption. It requires 300 watts of electric power. It can also work without power by kerosene oil blowlamp. The leaves are washed and dried to retain their pliability and kept in a polythene bag to avoid drying before use.

The leaves are placed on the lower die platten, the pedal is pressed down and released after a few seconds. All the operation like folding, trimming, pressing into shape and drying are done in a single operation by pressing the pedal lever. The leaf cup, subjected to heating to 150 degree C for 10 seconds also gets sterilized.

4. QUALITY CONTROL STANDARDS

Quality of the product must be as per customers demand.

5. LAND & BUILDING

1.	Covered area	Sq. Ft.	500
2.	Uncovered area	Sq. Ft.	500
3.	Total area	Sq. Ft.	1000
4.	Whether constructed or Rented		Rented
5.	If constructed, constructed value	Rs	N.A.
6.	If Rented, Rental value (per month)	Rs	1000

6. MACHINERY AND EQUIPMENT

S.N	Description	Qty.	Value (Rs.)
1.	Leaf cup and plate making machine lever on bearing	4	95000
2.	Dies for cups & Plates	15 sets	
3.	Blow lamp	5	
4.	Hand Tools	1	
5.	Sales Tax, Freight & Insurance etc.		5000
	Total		100000

7. RAW MATERIAL (PER MONTH)

S.N	Particulars	Quantity (Kg)	Value (Rs)
1.	Chholla Leaves	L.S.	25000
2.	Packaging Material		2000
		Total	27000

8. STAFF & LABOUR (PER MONTH)

S.N	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager			
(ii)	Peon/ Chowkidar			
B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker	1	3000	3000
(ii)	Unskilled Worker	4	2000	8000
	Sub-Total			11000
	Plus perquisites @ 30% of salaries			3300
	TOTAL			14300

9. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	1000
2.	Electricity Charges	250
3.	Fuel Exp.	0
4.	Advertisement & Travelling	1000
5.	Transport	3000
6.	Consumable & stores etc.	1000
7.	Potage expenses/ telephones	250
8.	Stationery	250
9.	Repairs & Maintenance's	250
	Total	7000

10. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	27000
2	Salaries & Wages	14300
3	Other Expenses	7000
	Total	48300

11. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	-
Machinery & Equipment	100000
Working capital for one month	48300
Total	148300

12. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	579600
Depreciation on machinery & equipment	10000
Interest on total investment @ 10%	15000
Total	604600

13. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (Kg)	Value (Rs.)
1.	Leaf Cups & Plates	40000	800000
	Total		800000

14. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	195400
2.	% of Profit on Sales	24.43%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	255600
3.2	Annual Sales	800000
3.3	Annual Variable Cost	324000
3.4	Break Even Point	53.70%

Break-Even Analysis

(% of Total Production envisaged)

$$\frac{\text{Annual fixed cost} \times 100}{\text{Annual sales} - \text{Annual variable costs}} = \%$$

15. Manufactures/ Suppliers of Machinery

1	Huma Traders Near Shajanabad Thana, Bhopal
2	Shree Murugan Industries, Plot No. 68/W, Hootagalli Industrial Area Belawadi Post Mysore – 571186
3	AMI Eng. Station Road, Opposite Veena Cinema Patna - 800 001
4	Chandan Eng Works, Industrial Estate, Kurji Patna - 800 010
5	Kalpataru Enterprises, HIG, Sector E, Aliganj Scheme, Lucknow - 226 020

16. Suppliers of Raw Materials

From surrounding forest of the area.

17. IMPLEMENTATION PERIOD

Proposed Project can commence production with in 6-8 weeks after sanction and first disbursement of term loan.

18. ASSUMPTION FOR GENERATING PROJECT PROFITABILITY

1	Number of Working Days in a year	300 Days
2	Number of Shifts in a day	1 One
3	Hours in a Shift	8 hours
4	Plant Capacity	Consider on Average production capacities of plant.

5	Raw material Estimates	Based upon product Mix
6	Raw Material Availability	Forest districts of MP
7	Depreciation	Straight Line Method
8	Manpower	According to project Requirement
9	Rent estimate	On the basis of current market prize of the area.
10	Potential Area of Marketing the products	Households of the area.
11	If project is funded, term loan would be	60-80% of Total investment
12	Moratorium Period	6- 12 months
13	Repayment Period	5-7 years
14	Project may be established under	PMEGP (GOI) / Tribal Self Employment Scheme (NSTFDC) or Rani Durgawati Scheme of MP