

PROJECT REPORT

Of

BANANA FIBRE TABLE MAT UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Banana Fibre Table Mat Unit.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]



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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **BANANA FIBRE TABLE MAT**
- 6 Name of the project / business activity proposed : **BANANA FIBRE CRAFT UNIT**
- 7 Cost of Project : Rs.10.26 Lakhs
- 8 Means of Finance
- Term Loan Rs.5.85 Lakhs
- Own Capital Rs.1.03 Lakhs
- Working Capital Rs.3.39 Lakhs
- 9 Debt Service Coverage Ratio : 2.97
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 44%
- 13 Employment : 10 Persons
- 14 Power Requirement : 2.00 KW
- 15 Major Raw materials : Dried Banana Sheath, Rubber
Mat, Thread, Colours for Dyeing,
Salt
- 16 Estimated Annual Sales Turnover (Max Capacity) : 83.13 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Civil Work	5.00
Furniture & Fixtures	1.50
Working Capital	3.76
Total	10.26

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.03
Working Capital(Finance)	3.39
Term Loan	5.85
Total	10.26

BANANA FIBRE TABLE MAT UNIT

Introduction:

Banana fiber is a natural bast fiber which has wide range of uses in handicraft product developments such as mats, ropes, twines and wall hangings. The fibre is used for making threads, carry-bags, filaments and organic compost. This industry has very promising prospects in district owing to the abundant cultivation of banana in the district. It which has wide range of uses in handicraft product development such as mat, rope and twines, but only 10% of its pseudo stem is being used for making products and remaining is used as fertilizer. Mostly the fiber is extracted by manual process and the yield of fiber is very low. This kind of manual process needs skilled labor.



Uses & Market Potential:

The rope of banana fiber can then be knitted, crocheted or woven to make products from basketry, coasters, bags, and mats to textiles. These items are creatively made using bright colors to give them an attractive look. Banana fibre is considered to be next revolution in many industries such as textiles and automobile interiors. Some artisans use the fibre to make ropes, handbags, sarees and a variety of handicraft items. But banana papermaking seems to be the only avenue for utilising this resource most appropriately. If all the banana plants were harvested and their fibre extracted from the

trunk, around 2.1 lakh tonnes of the fibre would be available per annum, yielding 1.65 lakh tonnes of handmade paper.

Product:

BANANA FIBRE TABLE MAT

Raw Material:

1. Dried Banana Sheath
2. Rubber Mat
3. Thread
4. Colours for Dyeing
5. Salt

Manufacturing Process:

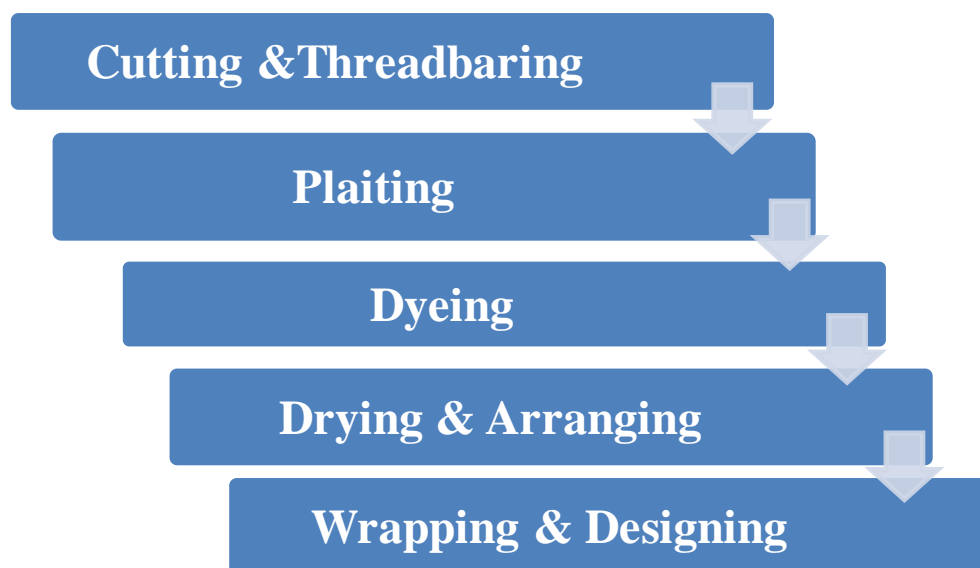


Fig. 1 – Process Flowchart

Area:

Generally, you can operate a small-scale unit with a 1000-1200 Sq Ft of covered area.

Cost of Tools & Equipments:

S No.	Tools & Equipments	Price (INR)
1.	Scissors	1,500/-
2.	Weaving Frame	4,500/-
3.	Clippers	20,000/-
4.	Measuring Tapes	14,000/-
5.	Rubber Mat	10,000/-
	Total	50,000/-

Power Requirement- - The estimated Power requirement is taken at 2 KWH

Manpower Requirement- Following manpower is required:

- Skilled/unskilled worker-4
- Helper - 4
- Sales Personal and Accountant- 2

FINANCIALS

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	1.87	2.90	4.16	5.47
Add: Additions	1.03	-	-	-	-
Add: Net Profit	2.05	2.83	3.66	4.61	5.25
Less: Drawings	1.20	1.80	2.40	3.30	3.80
Closing Balance	1.87	2.90	4.16	5.47	6.92
CC Limit	3.39	3.39	3.39	3.39	3.39
Term Loan	5.20	3.90	2.60	1.30	-
Sundry Creditors	0.70	0.79	0.88	0.98	1.07
TOTAL :	11.16	10.97	11.03	11.13	11.38
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	6.50	6.50	6.50	6.50	6.50
Gross Dep.	0.65	1.24	1.76	2.24	2.66
Net Fixed Assets	5.85	5.27	4.74	4.26	3.84
Current Assets					
Sundry Debtors	1.70	1.99	2.24	2.50	2.77
Stock in Hand	2.76	3.12	3.50	3.90	4.31
Cash and Bank	0.85	0.59	0.54	0.47	0.46
TOTAL :	11.16	10.97	11.03	11.13	11.38
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	51.04	59.75	67.20	75.00	83.13
Total (A)	51.04	59.75	67.20	75.00	83.13
<u>B) COST OF SALES</u>					
Raw Material Consumed	30.00	33.79	37.73	41.81	46.03
Electricity Expenses	0.22	0.25	0.27	0.29	0.31
Tools & Consumables	0.50	0.58	0.66	0.76	0.87
Labour & Wages	11.34	12.81	14.35	16.07	18.00
Depreciation	0.65	0.59	0.53	0.47	0.43
Cost of Production	42.71	48.01	53.54	59.41	65.65
Add: Opening Stock /WIP	-	1.76	2.00	2.25	2.51
Less: Closing Stock /WIP	1.76	2.00	2.25	2.51	2.78
Cost of Sales (B)	40.95	47.77	53.29	59.15	65.38
C) GROSS PROFIT (A-B)	10.09	11.97	13.92	15.85	17.75
	19.76%	20.04%	20.71%	21.14%	21.35%
D) Bank Interest i) (Term Loan)	0.63	0.52	0.38	0.23	0.09
ii) Interest On Working Capital	0.37	0.37	0.37	0.37	0.37
E) Salary to Staff	4.79	5.75	6.55	7.34	8.07
F) Selling & Adm Expenses Exp.	2.25	2.51	2.96	3.30	3.74
TOTAL (D+E+F)	8.04	9.15	10.25	11.24	12.27
H) NET PROFIT	2.05	2.83	3.66	4.61	5.48
	4.0%	4.7%	5.4%	6.1%	6.6%
I) Taxation	-	-	-	-	0.23
J) PROFIT (After Tax)	2.05	2.83	3.66	4.61	5.25

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.03	-			
Reserve & Surplus	2.05	2.83	3.66	4.61	5.48
Depreciation & Exp. W/off	0.65	0.59	0.53	0.47	0.43
Increase In Cash Credit	3.39				
Increase In Term Loan	5.85	-	-	-	-
Increase in Creditors	0.70	0.09	0.09	0.10	0.10
TOTAL :	13.66	3.50	4.28	5.18	6.00
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	6.50	-	-	-	-
Increase in Stock	2.76	0.36	0.38	0.40	0.41
Increase in Debtors	1.70	0.29	0.25	0.26	0.27
Repayment of Term Loan	0.65	1.30	1.30	1.30	1.30
Taxation	-	-	-	-	0.23
Drawings	1.20	1.80	2.40	3.30	3.80
TOTAL :	12.81	3.75	4.33	5.26	6.01
Opening Cash & Bank Balance	-	0.85	0.59	0.54	0.47
Add : Surplus	0.85	- 0.25	- 0.05	- 0.08	- 0.01
Closing Cash & Bank Balance	0.85	0.59	0.54	0.47	0.46

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	1.76	2.00	2.25	2.51	2.78
<u>Raw Material</u>					
(10 Days requirement)	1.00	1.13	1.26	1.39	1.53
Closing Stock	2.76	3.12	3.50	3.90	4.31

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	2.76		
Less:			
Sundry Creditors	0.70		
Paid Stock	2.06	0.21	1.85
Sundry Debtors	1.70	0.17	1.53
Working Capital Requirement			3.39
Margin			0.38
MPBF			3.39
Working Capital Demand			3.39

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	5.85	5.85	0.16	-	5.85
	Iind Quarter	5.85	-	5.85	0.16	-	5.85
	IIIrd Quarter	5.85	-	5.85	0.16	0.33	5.53
	Ivth Quarter	5.53	-	5.53	0.15	0.33	5.20
					0.63	0.65	
II	Opening Balance						
	Ist Quarter	5.20	-	5.20	0.14	0.33	4.88
	Iind Quarter	4.88	-	4.88	0.13	0.33	4.55
	IIIrd Quarter	4.55	-	4.55	0.13	0.33	4.23
	Ivth Quarter	4.23		4.23	0.12	0.33	3.90
					0.52	1.30	
III	Opening Balance						
	Ist Quarter	3.90	-	3.90	0.11	0.33	3.58
	Iind Quarter	3.58	-	3.58	0.10	0.33	3.25
	IIIrd Quarter	3.25	-	3.25	0.09	0.33	2.93
	Ivth Quarter	2.93		2.93	0.08	0.33	2.60
					0.38	1.30	
IV	Opening Balance						
	Ist Quarter	2.60	-	2.60	0.07	0.33	2.28
	Iind Quarter	2.28	-	2.28	0.06	0.33	1.95
	IIIrd Quarter	1.95	-	1.95	0.05	0.33	1.63
	Ivth Quarter	1.63		1.63	0.04	0.33	1.30
					0.23	1.30	
V	Opening Balance						
	Ist Quarter	1.30	-	1.30	0.04	0.33	0.97
	Iind Quarter	0.97	-	0.97	0.03	0.33	0.65
	IIIrd Quarter	0.65	-	0.65	0.02	0.33	0.32
	Ivth Quarter	0.32		0.32	0.01	0.33	- 0.00
					0.09	1.30	

Door to Door Period 60 Months

Moratorium Period 6 Months

Repayment Period 54 Months

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
CASH ACCRUALS	2.70	3.41	4.19	5.08	5.68
Interest on Term Loan	0.63	0.52	0.38	0.23	0.09
Total	3.33	3.93	4.56	5.32	5.77
REPAYMENT					
Repayment of Term Loan	0.65	1.30	1.30	1.30	1.30
Interest on Term Loan	0.63	0.52	0.38	0.23	0.09
Total	1.28	1.82	1.68	1.53	1.39
DEBT SERVICE COVERAGE R.	2.59	2.16	2.72	3.47	4.15
AVERAGE D.S.C.R.			2.97		

Assumptions:

- 1.** Production Capacity of Banana Fibre Table Mat is 160 Pieces per day. First year, Capacity has been taken @ 50%.
- 2.** Working shift of 10 hours per day has been considered.
- 3.** Raw Material stock and Finished goods closing stock has been taken for 10 days.
- 4.** Credit period to Sundry Debtors has been given for 10 days.
- 5.** Credit period by the Sundry Creditors has been provided for 7 days.
- 6.** Depreciation and Income tax has been taken as per the Income tax Act, 1961.
- 7.** Interest on working Capital Loan and Term loan has been taken at 11%.
- 8.** Salary and wages rates are taken as per the Current Market Scenario.
- 9.** Power Consumption has been taken at 2 KW.
- 10.** Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years

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