

## PROJECT PROFILE ON BROOMS MAKING UNIT

### 1. INTRODUCTION

Brooms are used for floor cleaning, dust removing etc. Brooms are generally grown in forest areas. On harvesting, they are cut into required size on a cutter and made them a suitable bundle using plastic packing machine. Hill broom making is a livelihood for large number of tribals.

### 2. MARKET DEMAND

Brooms is a common household item. It is transported to various districts for marketing. It has good demand and marketed through Super Bazars, Kirana Shops and other outlets. Economics are worked out based on average costs and these may vary moderately from location to location and required to be modified.

### PRODUCTION TARGETS

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

	<b>Brooms</b>
Quantity (Nos)	50000
Value (Rs)	500000

### 3. MANUFACTURING PROCESS

The process is simple. On harvesting, they are cut into required size on a cutter and made them a suitable bundle using plastic packing machine. Collection of Hills brooms, and make them slicing, grading and packing will be done simultaneously.

### 4. QUALITY CONTROL STANDARDS

Quality of the product must be as per customers demand and it must be suitable in handle and operation.

## 5. LAND & BUILDING

1.	Covered area	Sq. Ft.	500
2.	Uncovered area	Sq. Ft.	1000
3.	Total area	Sq. Ft.	15000
4.	Whether constructed or Rented		Rented
5.	If constructed, constructed value	Rs	N.A.
6.	If Rented, Rental value (per month)	Rs	2000

## 6. MACHINERY AND EQUIPMENT

S.N	Description	Qty.	Value (Rs.)
1.	Broom Cutter	1	30000
2.	Packaging Tools	L.S.	
3.	Sales Tax, Freight & Insurance etc.		3000
	Total		33000

## 7. RAW MATERIAL (PER MONTH)

S.N	Particulars	Quantity (Kg)	Value (Rs)
1.	Brooms	L.S.	15000
2.	Packaging Material		2000
	Total		17000

## 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	2	2000	4000
	Sub-Total			7000
	Plus perquisites @ 30% of salaries			2100
	TOTAL			9100

**9. OTHER EXPENSES (PER MONTH)**

1.	Rent of Land & Building	1000
2.	Electricity Charges	500
3.	Fuel Exp.	0
4.	Advertisement & Travelling	500
5.	Transport	2000
6.	Consumable & stores etc.	500
7.	Potage expenses/ telephones	500
8.	Stationery	500
9.	Repairs & Maintenance's	500
	Total	6000

**10. WORKING CAPITAL (FOR ONE MONTH)**

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	17000
2	Salaries & Wages	9100
3	Other Expenses	6000
	Total	32100

**11. TOTAL CAPITAL INVESTMENT**

Building & Other Civil Works	-
Machinery & Equipment	33000
Working capital for one month	32100
Total	65100

**12. COST OF PRODUCTION (PER ANNUM)**

Total recurring cost per year	385200
Depreciation on machinery & equipment	3000
Interest on total investment @ 10%	10000
Total	398200

### 13. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (Nos)	Value (Rs.)
1.	Brooms	50000	500000
	Total		500000

### 14. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	114800
2.	% of Profit on Sales	22.96%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	181200
3.2	Annual Sales	500000
3.3	Annual Variable Cost	204000
3.4	Break Even Point	61.22%

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	Small traders of plant & equipments in the district.

### 16. Suppliers of Raw Materials

From nearest forest depot 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 & related industries like Mining 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