

ARECANUT LEAF PLATE

INTRODUCTION:

Arecanut Leaf Plates are made from the shredded leaves of the Areca Palm Tree. No trees are chopped or cut at any stage during the making process and only shredded areca leaves are used to make this product. Arecanut leaf plates 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. These have good dimensional stability and are inexpensive, hygienic and biodegradable. These are extremely popular with foreign tourists as these are bio degradable and eco friendly. The diverse designs and shapes of these products can be varied as per the needs of our customers. These can serve both hot and cold foods. The manufacturing process of these disposable plates is completely nontoxic and therefore, these plates are natural and safe.

MARKET POTENTIAL:

Arecanut plates are in large demand byhawkers, fast food restaurants, star-hotels, mass feeding and for prasadam in religious institutions.

BASIS AND PRESUMPTIONS

1. The production is based on a single shift basis of 8 hours per day and 25 working days in a month.
2. The unit can achieve its full capacity utilization during the first year of operation.
3. Leaf required per day : 800 leafs , 1leaf = 3plates (Min).
4. Labour will be engaged on monthly basis keeping in view the present rate prevailing in the market
5. Land and building, rented. Built-up area, 100 Sq. metres.

IMPLEMENTATION SCHEDULE

Project implementation will take a period of 6 months. Break-up of the activities

and relative time for each activity is shown below:

- o Scheme preparation and approval : 01 month
- o Sanction of financial supports etc. : 2-3 months
- o Installation of machinery and power connection : 3-5 months
- o Trial run and production : 01 month

TECHNICAL ASPECTS

Process of manufacture:

The arecanut leaf plate can be produced easily by using fully automatic machine. 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 platen, all the operation like folding, trimming, pressing into shape and drying are done automatically. The leaf cup also gets sterilized. 30 Seconds Auto timer for one plate.

Production Capacity:

Quantity	720000 leaf plates per annum
Optimum capacity utilization	82%
Working days	300/annum
Manpower	2
Motor Power	2 Hp
Water L/day	500L/ 3 to 5 days
Power	5500 watts for 5 machines

Pollution Control:

There is no major pollution problem associated with this industry except for disposal of wastewhich should be managed appropriately.

FINANCIAL ASPECTS

A. Fixed Capital

(i) Land and Building

Covered area (100 Sq. meters) – rented at Rs. 4000 per month

(ii) Machinery and Equipments

Sl. No.	Description	Qty	Rate (Rs)	Value (Rs)
1	Fully automatic machine (5 Die)	1	3,45,000	3,45,000
2	Water tank (rectangular 500 L)	1	3,000	3,000
3	Office furniture and fixtures			30,000
4	Electrification and installation of machinery at 10%			34,500
TOTAL:				4,12,500

(iii) Pre-operative Expenses: Rs 10000/-

Total Fixed Capital (ii+iii) : Rs. 4,22,500/-

B. Working Capital (per month)

(i) Staff and Labour (per month)

Sl. No.	Description	No.	Salary (Rs.)	Total (Rs.)
1	Manager	1	12,500	12,500
2	Semi-skilled worker	1	10,000	10,000
TOTAL:				22,500

Add perquisites at 15% on Salary : Rs 3,375/-

TOTAL : Rs 25,875/-

Say : Rs 25,900/-

(ii) Raw Materials Including Packing Requirements (per month)

Sl. No.	Description	Qty	Rate (Rs)	Value (Rs)
1	Arecanut leaf	20,000	2.25	45,000

(iii) Utilities (per month)

Sl. No.	Description	Amount (Rs.)
1	Power	4,500
2	Water	500
TOTAL:		5,000

(iv) Other Contingent Expenses (per month)

Sl. No.	Description	Amount (Rs.)
1	Rent	4,000
2	Postage and Stationery	500
3	Consumable Stores	300
4	Repair and Maintenance	500
5	Transportation charges	3,000
6	Telephone	500
7	Advertisement and Publicity	500
8	Insurance	1,000
9	Miscellaneous Expenses	500
TOTAL:		10,800

(v) Total Working Capital (per month)

Sl. No.	Description	Amount (Rs.)
1	Raw Materials	45,000
2	Staff and Labour (Salary)	25,900
3	Utilities	5,000
4	Other Contingent Expenses	10,800
TOTAL:		86,700

(vi) Working Capital for 3 months = $86700 \times 3 = \text{Rs. } 2,60,100/-$ **C. Total Capital Investment**

Sl. No.	Description	Amount (Rs.)
1	Fixed Capital	4,22,500
2	Working Capital for 3 months	2,60,100
TOTAL:		6,82,600

FINANCIAL ANALYSIS

(1) Cost of Production (per year)

Sl. No.	Description	Amount (Rs.)
1	Total recurring cost	10,40,400
2	Depreciation on machinery at 10%	34,500
3	Depreciation on furniture at 20%	6,000
4	Interest on Total Capital investment at 15%	1,02,390

TOTAL :	11,83,290
	<u>Say Rs. 11,83,300/-</u>

(2) Turnover (per year)

Sl. No.	Items	Qty	Rate (Rs)	Value Rs.)
1	Arecanut leaf plate	720000	2	14,40,000
TOTAL :				14,40,000

(3) Net Profit (before taxation) (per year)

Turnover	:	14,40,000
Cost of Production (-)	:	11,83,300
TOTAL	:	2,56,700

(4) Net Profit Ratio

$$\begin{aligned}
 &= (\text{Net Profit per year} \times 100) / \text{Turnover per year} \\
 &= (256700 \times 100) / 1440000 \\
 &= \underline{\underline{17.82\%}}
 \end{aligned}$$

(5) Rate of Return on Total Investment

$$\begin{aligned}
 &= (\text{Net Profit per year} \times 100) / \text{Total Investment} \\
 &= (256700 \times 100) / 682600 = \underline{\underline{37.60\%}}
 \end{aligned}$$

(6) Break-even Point

Fixed Cost

Sl. No.	Description	Amount (Rs.)
1	Rent for one year	48,000
2	Total Depreciation	40,500
3	Interest on Total Investment	1,02,390
4	40% of Salary and Wages	1,24,320
5	40% of utilities and other contingent expenses	75,840
TOTAL :		3,91,050

Say **Rs. 3,91,100**

$$\begin{aligned} \text{B.E.P} &= (\text{Fixed Cost} \times 100) / (\text{Fixed Cost} + \text{Net Profit}) \\ &= (391100 \times 100) / (391100 + 256700) = \underline{\underline{60.37\%}} \end{aligned}$$

Addresses of Machinery and Equipment Suppliers

SS Engineering Works
5/229B ,Kovai to Sathy Main Road,
Karayampalayam, Annur,
Coimbatore – 641653
www.sseengineeringworks.net
Mobile : 09486177772

Deepam Palm Dish
St. Thomas Street, Kuriachira,
Thrissur – 680 001
Kerala, India.
Phone: 0487 2251966
Mobile: 9349486814

Raw Material Suppliers

Raw materials (Areca nut leaves) collected from locally

SAMRAMBHAK MITHRA