

**PROJECT PROFILE  
ON READY TO USE  
AND THROW  
UTENSIL MAKINGS  
FROM SAL AND  
BANANA LEAF**



## Table of Contents

INTRODUCTION.....	3
PRODUCTS AND ITS APPLICATION .....	3
DESIRED QUALIFICATION FOR PROMOTER.....	3
INDUSTRY OUTLOOK/TREND .....	3
MARKET POTENTIAL AND MARKETING ISSUES, IF ANY .....	4
BASIS AND PRESUMPTIONS.....	4
RAW MATERIAL REQUIREMENTS .....	4
MANUFACTURING PROCESS .....	5
MANPOWER REQUIREMENT (PER MONTH) .....	6
LAND.....	6
MACHINERY SPECIFICATIONS .....	6
UTILITIES (per month) .....	6
Other Contingent Expenses .....	6
WORKING CAPITAL ASSESSMENT (per month).....	7
COST OF THE PROJECT .....	7
CAPITAL INVESTMENT.....	7
IMPLEMENTATION SCHEDULE.....	7
SALES REVENUE .....	8
PROFITABILITY CALCULATION.....	8
BREAK EVEN POINT ANALYSIS.....	9
References.....	9
Video Link .....	9
MANUFACTURES/ SUPPLIERS OF MACHINERY .....	9
STATUTORY/ GOVERNMENT APPROVALS.....	10
DISCLAIMER: .....	10
DISCLAIMER: .....	10

## INTRODUCTION

In the past mainly rural Indians used ready to use plates and cups for serving foods. These are commonly used for serving food at marriages, religions and social functions. Those cups and plates are made of leaves like Sal, Banana, Butea, arecanut sheath, lotus, palm, etc. with the help of traditional and manual techniques. Now this laborious craft is converted to machine made production with the help of machineries. The machine made technique gives the cups and plates identical and elegant shapes. These cups and plates are bi-degradable, hygienic and less expensive. This craft has huge market potential and it generates employment for the rural people.

## PRODUCTS AND ITS APPLICATION

- These cups and plates widely used in the social events like marriages, parties, and religious places to distribute *prasad* and mass feeding.
- There is huge demand of those ready to use and throw utensils in the fast food restaurants, star-hotels.
- Hawkers are also use those extensively.

## DESIRED QUALIFICATION FOR PROMOTER

No specific degree require for making those ready to use utensils.

## INDUSTRY OUTLOOK/TREND

Ready to use and throw utensils like plastic cutlery, which is a by-product of petroleum, contains several neuro-toxins and carcinogens. These toxins slowly enter the human body. The cutlery manufactured with bio-degradable leaves have no side effect. These plates act as the best alternative for plastics and because of this reason it has a good market in international market. This cottage industry has huge potential, as these products are eco-friendly and less expensive. These products have a good market in Maharashtra, Delhi, Madhya Pradesh and Tamil Nadu. Now more and more people are adopting those products in various functions. There is no pollution control associated with those. India also exported these items to countries like USA, UK, Germany, Australia and other European countries. (HS Code: 4062) is give below:

Year	Export Value (INR Lakh)
2018-2019	10917.39
2019-2020	15349.18
2020-2021	11011.93

## MARKET POTENTIAL AND MARKETING ISSUES, IF ANY

As these products are eco-friendly products, there is no marketing issues of these products. Other qualities of these products are:

- No chop down of trees, fallen leaves are collected and turned to value added products.
- Waste to wealth concept.
- No Chemicals, bleaching, PE (Poly Ethylene) coating, Wax coating at any stage.
- Lightweight, sturdy and non-crushable.
- Microwave & Refrigerator safe.
- Holds liquid items for 4 hours without leakage.
- Good for hot, wet and cool food items.

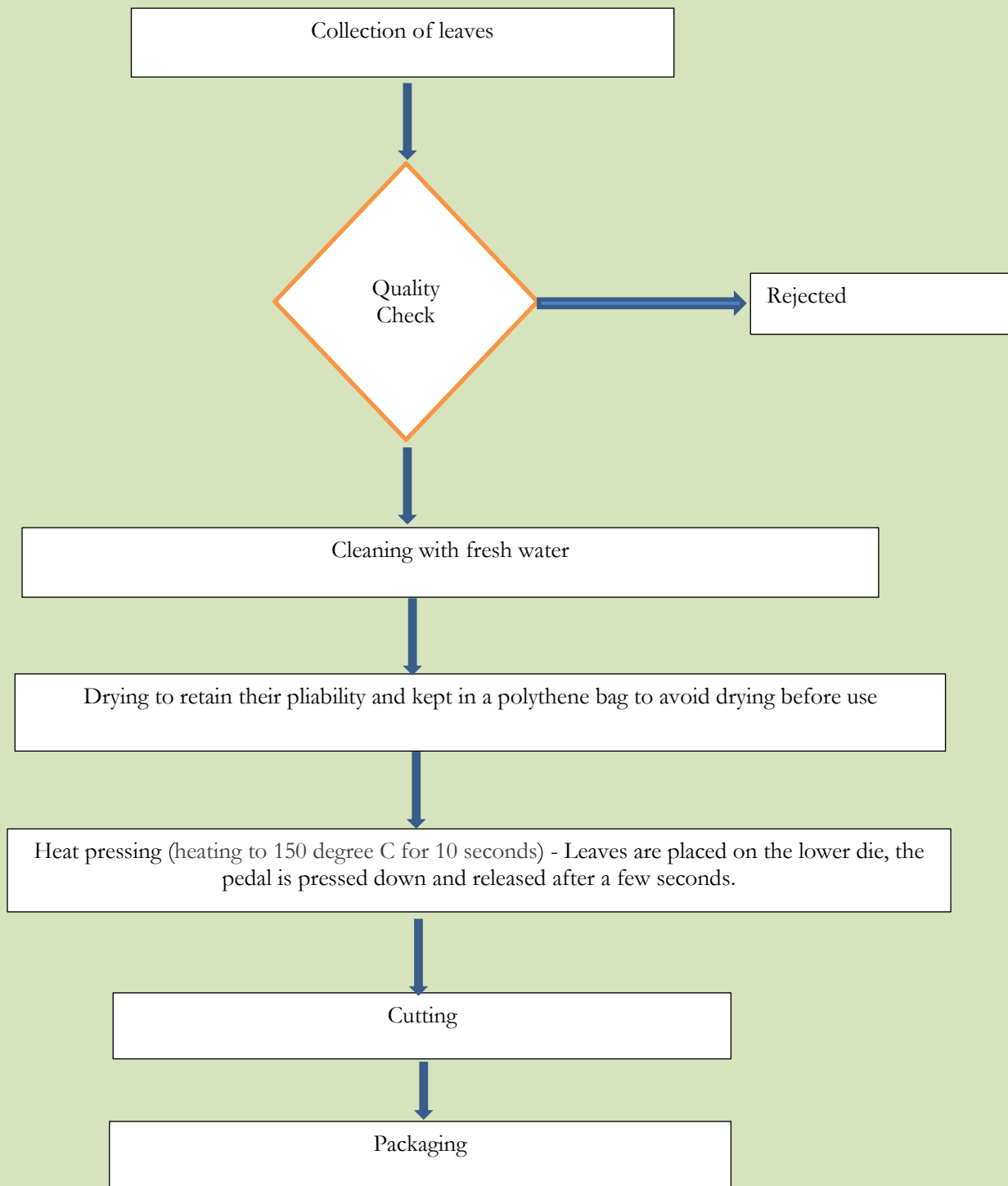
## BASIS AND PRESUMPTIONS

- The unit will work for 300 days per annum on a single shift basis.
- The unit can achieve its full capacity utilization during the first month of operation.
- The wages for skilled workers are taken as per prevailing rates in this type of industry.
- Interest rate for total capital investment is calculated @ 10% per annum.
- The entrepreneur is expected to raise 20-25% of the capital as margin money.
- The unit would construct its own building.
- Costs of machinery and equipment are based on average prices of machinery manufacturers.

## RAW MATERIAL REQUIREMENTS

Leaves	1.40 lakh
Packing materials	0.10 lakh

## MANUFACTURING PROCESS



## MANPOWER REQUIREMENT (PER MONTH)

### Plants

Type	Number	Cost (Rs.)
Owner or entrepreneur	1	20,000
Labour (unskilled)	5	40,000
<b>Total per month</b>		<b>60,000</b>

## LAND

Particulars	Units	Total Area	Total rent (INR)
Land & building (rent)	Sq. Mt.	100	10000

## MACHINERY SPECIFICATIONS

Types of machinery	Quantity	Price (INR Lakh)
Leaf cup and plate making machine lever on bearings - 3	3	1.00
Dies with circular dia - 4	4	0.40
Die square katori - 3	3	0.40
Blow lamp with fittings attachment 1	1	0.05
Tool kit - 1	1	0.05
Total		1.90
Erection and electrification @ 10% of machinery cost		0.20
Office furniture & fixtures		0.40
Total*		<b>2.50</b>

\* Cost of the machine is exclusive of GST & other than transportation cost.

## UTILITIES (per month)

Sl. No	Particulars	Cost (Rs. Lakh)
1	Electricity (Single phase) 3 HP	<b>0.03</b>

## Other Contingent Expenses

Particulars	Amount (Rs. lakh)
Repairs and maintenance @10%	0.20
Consumables & spares Transport & Travel Publicity Postage & stationery Telephone	0.12
Insurance	0.03
Total	0.35

## WORKING CAPITAL ASSESSMENT (per month)

Sl. No	Particulars	Cost (Rs. Lakh)
1	Manpower	0.60
2	Raw materials	0.13
3	Utilities	0.03
4	Other contingent expenses	0.35
	Working Capital	1.11
	Working Capital for 3 months	3.33 (rounded to 3.30 lakhs)

## COST OF THE PROJECT

Sl. No	Particulars	Cost (Rs. Lakh)
1	Land & building rent	1.20
2	Plant & Machinery	2.50
3	Contingencies @2% of the project	0.10
5	Pre-operative cost	0.50
	<b>Total</b>	<b>4.70</b>
	<b>Loan Amount 75%</b>	<b>3.525</b>

## CAPITAL INVESTMENT

Sl. No	Particulars	Cost (Rs. Lakh)
1	Land	1.20
2	Plant & Machinery and Furniture	2.50
3	Preoperative Expenses	0.50
	Total Fixed Capital	4.20
4	Working Capital (for 3 months)	3.30
	<b>Total</b>	<b>7.50</b>

## IMPLEMENTATION SCHEDULE

Project Stages	Months...			
	1	2	3	4
Acquisition of Land				
Ordering of Machinery				
Delivery of Machinery				
Term/Wkg Loan Sanction				
Installation of Machinery				
Commissioning of Plant				
RM/Inputs Procurement				
Manpower Appointments				

## SALES REVENUE

Particulars	Rate per 100 pack (INR)	1 <sup>st</sup> year	2 <sup>nd</sup> year	3 <sup>rd</sup> year	4 <sup>th</sup> year	5 <sup>th</sup> year
<b>Total Capacity: leaf plates 6 lakh (assorted), leaf cups 10 lakh (assorted)</b>						
Capacity Utilization	-	70%	80%	90%	90%	90%
Production of leaf plates (in lakh)		4.2	4.8	5.4	5.4	5.4
Production of leaf cups		7	8	9	9	9
Rate of leaf plates (per 100 pieces) INR		300	320	340	360	370
Rate of leaf cups (per 100 pieces) INR		50	60	70	80	90
Revenue from sales of plates (INR Lakhs)		12.6	15.36	18.36	19.44	19.98
Revenue from sales of cups (INR Lakhs)		3.5	4.8	6.3	7.2	8.1
<b>Total Revenue from sales</b>		<b>16.1</b>	<b>20.16</b>	<b>24.66</b>	<b>26.64</b>	<b>28.08</b>

## PROFITABILITY CALCULATION

Sl. No.	Particulars	Rate per 100 (INR)	1 <sup>st</sup> year	2 <sup>nd</sup> year	3 <sup>rd</sup> year	4 <sup>th</sup> year	5 <sup>th</sup> year
<b>Total Capacity: leaf plates 6 lakh (assorted), leaf cups 10 lakh (assorted)</b>							
	Sales revenue		16.1	20.16	24.66	26.64	28.08
B.	Cost of production per annum						
B1	Raw Materials*		1.5	1.6	1.7	1.8	1.9
B2	Cost of utilities		0.36	0.36	0.36	0.36	0.36
B3	Manpower		7.2	7.5	7.8	8.1	8.4
B4	Office & Marketing expenses		4.2	4.44	4.68	4.92	5.16
	<b>Total of Cost of Production</b>		<b>13.26</b>	<b>13.9</b>	<b>14.54</b>	<b>15.18</b>	<b>15.82</b>
C	<b>Net Profit (before tax)</b>		<b>2.84</b>	<b>6.26</b>	<b>10.12</b>	<b>11.46</b>	<b>12.26</b>



## BREAK EVEN POINT ANALYSIS

### Break-even point

$$\frac{\text{Annual Fixed Cost} \times 100}{\text{Annual Fixed Cost} + \text{Profit}} = \%$$

Sl. No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
	<b>Gross Sales</b>	16.1	20.16	24.66	26.64	28.08
A1	Less: Work in progress goods	-	1.6	2.1	2.5	2.9
A2	Add: Closing Stock	1.6	2.1	2.5	2.9	3.1
<b>A</b>	<b>Total Sale</b>	<b>17.7</b>	<b>20.66</b>	<b>25.06</b>	<b>27.04</b>	<b>28.28</b>
	<b>Variable &amp; Semi variable expenses</b>					
B1	Raw Materials	1.5	1.6	1.7	1.8	1.9
B2	Power (85%)	0.306	0.306	0.306	0.306	0.306
B3	Manpower (60%)	4.32	4.50	4.68	4.86	5.04
B4	Admin & Marketing expenses (80%)	3.36	3.552	3.744	3.936	4.128
B5	Interest on WC loan	0.35	0.35	0.35	0.35	0.35
B6	Repairs and maintenance	0.20	0.20	0.20	0.20	0.20
<b>B</b>	<b>Total Variable &amp; Semi variable expenses</b>	<b>10.036</b>	<b>10.508</b>	<b>10.98</b>	<b>11.452</b>	<b>11.924</b>
	Contribution (A-B)	7.664	10.152	14.08	15.588	16.356
	<b>Fixed &amp; Semi-fixed expenses</b>					
C1	Power (15%)	0.054	0.054	0.054	0.054	0.054
C2	Manpower (40%)	2.88	3.00	3.12	3.24	3.36
C3	Depreciation @10%	0.25	0.25	0.25	0.25	0.25
C4	Admin & Marketing expenses (20%)	0.84	0.888	0.936	0.984	1.032
C5	Rent	1.20	1.20	1.20	1.20	1.20
<b>C</b>	<b>Total Fixed &amp; Semi-fixed expenses</b>	<b>5.224</b>	<b>5.392</b>	<b>5.56</b>	<b>5.728</b>	<b>5.896</b>
C	Operating Profit (B-C)	2.44	4.76	8.52	9.86	10.46
	Break Even Point (%)	68	53	40	37	36

### References

- Entrepreneurindia.co Reports on BANANA LEAVES Plates
- Report on Leaf on cups plates by TIMEIS
- Niir Project Consultancy Services on Banana Leaf Plate Manufacturing

**Video Link** – Ready to Use and throw utensils

<https://youtu.be/aLyUsVnllHE>

## MANUFACTURES/ SUPPLIERS OF MACHINERY

- Shree Murugan Industries, Plot No. 68/W, Hootagalli, Industrial Area Belawadi Post, Mysore – 571186
- AMI Eng. Station Road, Opposite Veena Cinema, Patna - 800 001
- Chandan Eng Works, Industrial Estate, Kurji Patna - 800 010, Kalpataru Enterprises, HIG, Sector E, Aliganj Scheme, Lucknow - 226 020
- Nalanda Agro Works, Nalanda Nagar, Kurji Patna- 800 010
- Anil & Co. 68, NGO's Colony, Rajendra Nagar, Mysore - 570 007

- Shah Eng. Co., C-18, Ajanta Commercial Centre, Ashram Road, Ahmedabad - 380 004

## **STATUTORY/ GOVERNMENT APPROVALS**

- Obtain the GST registration.
- Additionally, obtain the Udyog Aadhar registration Number.
- IEC Code for Export of end products and local authority clearance may be required for Shops and Establishment.
- Obtain ESI, PF and Labour laws may be required if applicable
- Fire Registration as required.
- Choice of a Brand Name of the product and secure the name with Trademark if required

## **DISCLAIMER:**

This is an indicative illustration of project profile; the above calculation can vary with the locations. Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further, the same have been given by way of information only and do not carry any recommendation.

## **DISCLAIMER:**

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