



MEDIUM SISAL FIBRE UNIT

the Spanish and the Portuguese. It was introduced in India during the 15th century by the Portuguese and is now found all over the country. There are about 275 species of sisal. Sisal fibre strands (issues) are stronger than other leaf fibres. It is mainly used for ropes and twines for agricultural purposes, marine tying and general industrial uses. The Sisal products has a good market and the sisal fibre is also used in the manufacture of other decorative articles such as door mats, table mats, wall hangings, fancy bags etc. It has good market in India and abroad.

1. Name of the Product	:	Sisal Fibre Unit	
2. Project Cost	:		
(a) Capital Expenditure			
Land	:	Own	
Building Shed 250 sq.ft.	:	Rs.	50000.00
Equipment	:	Rs.	75000.00
(Raspodar M/c, Motor 5 HP and tools etc..)			
Total Capital Expenditure	:	Rs.	125000.00
(b) Working Capital	:	Rs.	28000.00
TOTAL PROJECT COST	:	Rs.	153000.00

3. Estimated Annual Production of Sisal Fibre : (Value in i000)

Sl. No.	Particulars	Capacity	Rate	Total Value
1.	Sisal Fibre	125.00 Tons	1120.00	140.50
	TOTAL	125.00 Tons	1120.00	140.50

4. Raw Material	:	Rs.	35000.00
5. Labels and Packing Material	:	Rs.	1000.00
6. Wages (Skilled & Unskilled)	:	Rs.	24000.00

Sisal (Agave) is a native of Mexico. The plants were taken to Europe, Africa and the Far East by

7. Salaries	:	Rs. 24000.00
8. Administrative Expenses	:	Rs. 10000.00
9. Overheads	:	Rs. 20000.00
10. Miscellaneous Expenses	:	Rs. 5000.00
11. Depreciation	:	Rs. 10000.00
12. Insurance	:	Rs. 1250.00
13. Interest (As per the PLR)		
(a) Capital Expenditure Loan	:	Rs. 16250.00
(b) Working Capital Loan	:	Rs. 3640.00
Total Interest	:	Rs. 19890.00
14. Working Capital Requirement		
Fixed Cost	:	Rs. 56500.00
Variable Cost	:	Rs. 83640.00
Requirement of Working Capital per Cycle	:	Rs. 28028.00
15. Estimated Cost Analysis		

Sl. No.	Particulars	Capacity Utilization (Rs. in ₹000)			
		100%	60%	70%	80%
1.	Fixed Cost	56.50	33.90	39.55	45.20
2.	Variable Cost	84.00	50.40	58.80	67.20
3.	Cost of Production	140.50	84.30	98.35	112.40
4.	Projected Sales	275.00	165.00	192.50	220.00
5.	Gross Surplus	134.50	80.70	94.15	107.60
6.	Expected Net Surplus	125.00	71.00	84.00	98.00

Note:

- All figures mentioned above are only indicative and may vary from place to place.
- If the investment on Building is replaced by Rental Premises-
 - Total Cost of Project will be reduced.
 - Profitability will be increased.
 - Interest on Capital Expenditure will be reduced.