BROOM MAKING

Broom making is a traditional work involves very simple manual process and suitable for rural unemployed women of different origin. Various types of brooms (long/short handles) of different weight made out of coconut midribs, infloroscences of grasses or palm leaves. It is widely used by all means in industrial as well as domestic.

1. Name of the Product : Broom

2. Project Cost :

   (a) Capital Expenditure

   Land :

   Building Shed 1000 sq.ft. : Rs. 200000.00

   Equipment :

   (Carding M/c, Tools & implements etc.) Rs. 20000.00

   Total Capital Expenditure : Rs. 220000.00

   (b) Working Capital :

   Rs. 104000.00

   TOTAL PROJECT COST : Rs. 324000.00

3. Estimated Annual Production of Broom :

   (Value in 1000)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Capacity</th>
<th>Rate</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Broom</td>
<td>125000.00</td>
<td>5.00</td>
<td>626.80</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>125000.00</td>
<td>5.00</td>
<td>626.80</td>
</tr>
</tbody>
</table>

4. Raw Material : Rs. 150000.00

5. Sugar Feeding, Migration, Disease Control : Rs. 1000.00

6. Wages (Skilled & Unskilled) : Rs. 360000.00

7. Salaries : Rs. 36000.00

8. Administrative Expenses : Rs. 15000.00

9. Overheads : Rs. 15000.00
10. Miscellaneous Expenses : Rs. 5000.00

11. Depreciation : Rs. 12000.00

12. Insurance : Rs. 2200.00

13. Interest (As per the PLR)
   (a) Capital Expenditure Loan : Rs. 28600.00
   (b) Working Capital Loan : Rs. 13520.00
   Total Interest : Rs. 42120.00

14. Working Capital Requirement
   Fixed Cost : Rs. 86800.00
   Variable Cost : Rs. 539520.00
   Requirement of Working Capital per Cycle : Rs. 104387.00

15. Estimated Cost Analysis

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>100%</th>
<th>60%</th>
<th>70%</th>
<th>80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Fixed Cost</td>
<td>86.80</td>
<td>52.08</td>
<td>60.76</td>
<td>69.44</td>
</tr>
<tr>
<td>2.</td>
<td>Variable Cost</td>
<td>540.00</td>
<td>324.00</td>
<td>378.00</td>
<td>432.00</td>
</tr>
<tr>
<td>3.</td>
<td>Cost of Production</td>
<td>626.80</td>
<td>376.08</td>
<td>438.76</td>
<td>501.44</td>
</tr>
<tr>
<td>4.</td>
<td>Projected Sales</td>
<td>800.00</td>
<td>480.00</td>
<td>560.00</td>
<td>640.00</td>
</tr>
<tr>
<td>5.</td>
<td>Gross Surplus</td>
<td>173.20</td>
<td>103.92</td>
<td>121.24</td>
<td>138.56</td>
</tr>
<tr>
<td>6.</td>
<td>Expected Net Surplus</td>
<td>161.00</td>
<td>92.00</td>
<td>109.00</td>
<td>127.00</td>
</tr>
</tbody>
</table>

Note:

1. All figures mentioned above are only indicative and may vary from place to place.

2. If the investment on Building is replaced by Rental Premises-
   (a) Total Cost of Project will be reduced.
   (b) Profitability will be increased.
   (c) Interest on Capital Expenditure will be reduced.