**PROJECT PROFILE FOR COIR SPINNING UNIT WITH ELECTRONIC DEVICE**

**PRODUCT : COIR YARN (VYCOME TYPE-200M/KG)**

**PRODUCTION CAPACITY (P.A)**

**(100% CAPACITY) : 113 TONS**

**VALUE : RS.65.25 LAKHS**

**MONTH & YEAR OF PREPARATION : JUNE 2018**

**PREPARED BY : COIR BOARD, MINISTRY OF MSME,**

**GOVT OF INDIA**

* **INTRODUCTION**

The coir spinning ratt with electronic device is one in which the spindle is run by a separate motor of 10 watt capacity. Each strand need one motor will be fixed and the rotation of the strand is given by the motor. It is maintenance free, handy equipment and it can be moved to anywhere. The speed can be adjusted from 300 to 1500 rpm using a 6 speed variable regulator

* **BASIS AND PRESUMTIONS**
* The Project profile is based on 8 working hours for 2 shifts in a day and 25 days in a month and the Break Even efficiency has been calculated on 80%, 85%, 90%, 95% and 100% capacity utilization.
* The rate of interest both for fixed asset and working capital have been taken as 12.5% p.a.
* **TECHNICAL ASPECTS**

Installed production capacity per shift/machine : 0.015 MT per shift

Number of Electronic devices with stand : 25

Number of Shift per day : 1

Working days p.a : 300 days

Yield wastage : 10%

Capacity Utilization

-First year : 800%

-Second year : 85%

-Third year : 90%

-Fourth year : 95%

-Fifth year : 100%

Rate of Average Sales Realization : Rs. 58000 per ton

Rate of Average cost of raw material : Rs.25000

Interest on term Loan : 12.50%

Interest on working capital : 12.50%

**Manpower requirement**

Supervisor : 1

Skilled worker : 25

Semi/unskilled workers : 4

Total HP required : 8 HP

***All the machineries and equipments mentioned in the Project profile are of indigenous make and are of medium price.***

* **FINANCIAL ASPECTS**

**i) Cost of Project**

**Amount**

* Land : Lease/owned
* Work shed : Rs. 517000/-
* Machinery &Equipments : Rs.1432000/-
* Working Capital Rs. 551000/-

**------------------- Total : Rs. 2500000/-**

|  |
| --- |
| **Electronic devices with stand 25 nos, Willowing machine 1no and Motorized re-hanking frames** |

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**ii) Means of Finance**

* Promoters Capital 5% : Rs. 125000/-
* Bank Term Loan 95% : Rs.1852000/-
* WC Loan from Bank 95% : Rs .523000/- --------------------

**Total : Rs.2500000/-**

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**DETAILS OF THE PROFITABILITY OF THE PROJECT**

Rs.in Lakhs

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Years** |  | **1** | **2** | **3** | **4** | **5** |
| Installed Production capacity/machine/shift | Tons | 0.015 | 0.015 | 0.015 | 0.015 | 0.015 |
| Number of machines |  | 25 | 25 | 25 | 25 | 25 |
| Number of shift/day |  | 1 | 1 | 1 | 1 | 1 |
| Working days per annum |  | 300 | 300 | 300 | 300 | 300 |
| Installed production capacity per annum |  | 113 | 113 | 113 | 113 | 113 |
| Capacity utilization |  | 80% | 85% | 90% | 95% | 100% |
| Annual production quantity | Tons | 90 | 96 | 101 | 107 | 113 |
| **Annual Sales Realization** | Rs. 58000 | **52.20** | **55.46** | **58.73** | **61.99** | **65.25** |
| Cost of Production | | | | | | |
| Raw material requirement | Tons | 99 | 105.19 | 111.38 | 117.56 | 123.75 |
| Cost of raw material | Rs. 25000 | 24.75 | 26.30 | 27.84 | 29.39 | 30.94 |
| Power cost |  | 0.22 | 0.23 | 0.24 | 0.26 | 0.27 |
| Spares, Repairs & maintenance | 2% | 0.29 | 0.32 | 0.35 | 0.38 | 0.42 |
| Wages & salary |  | 17.42 | 18.51 | 19.60 | 20.69 | 21.78 |
| **Cost of Production** |  | **42.68** | **45.36** | **48.04** | **50.72** | **53.41** |
| **Gross Profit** |  | **9.52** | **10.1** | **10.69** | **11.27** | **11.84** |
| Administrative & selling expenses | 1% | 0.52 | 0.55 | 0.59 | 0.62 | 0.65 |
| Interest on Term Loan |  | 1.92 | 2.06 | 1.72 | 0.60 | 0.26 |
| Interest on Working capital |  | 0.65 | 0.65 | 0.65 | 0.65 | 0.65 |
| Depreciation of machinery |  | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 |
| Depreciation of building |  | 0.26 | 0.26 | 0.26 | 0.26 | 0.26 |
| **Total** |  | **4.78** | **4.95** | **4.65** | **3.56** | **3.25** |
| **Net Profit** |  | **4.74** | **5.15** | **6.04** | **7.71** | **8.59** |

* **ESTIMATION OF BREAK EVEN POINT**

Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
| Capacity utilization | 80% | 85% | 90% | 95% | 100% |
| Break-even point | 42% | 41% | 36% | 23% | 20% |
| Break even Production | 38 | 40 | 36 | 25 | 22 |

* **DEBT SERVICE COVERAGE RATIO**

Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
| Capacity utilization | 80% | 85% | 90% | 95% | 100% |
| DSCR | 2.46 | 1.81 | 2.07 | 2.93 | 3.45 |
| Average DSCR | 2.54 |  |  |  |  |
| DSCR weighted average | 2.44 |  |  |  |  |

* **WORKING CAPITAL REQUIREMENTS**

Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
| Capacity utilization | 80% | 85% | 90% | 95% | 100% |
| Variable Cost | 42.68 | 45.36 | 48.04 | 50.72 | 53.41 |
| Fixed Cost | 4.78 | 4.95 | 4.65 | 3.56 | 3.25 |
| Working capital Gap | 5.51 | 5.87 | 6.23 | 6.61 | 6.99 |