**PROJECT PROFILE FOR SEMI AUTOMATIC COIR MATTING UNIT**

**PRODUCT : COIR MATTING (4SHAFT FANCY)**

**PRODUCTION CAPACITY (P.A)**

**(100% CAPACITY) : 33000Sq.meter**

**VALUE : RS.89.10 LAKHS**

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

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

**GOVT OF INDIA**

* **INTRODUCTION**

The main problem of weaving on hand loom is the high force needed to operate the pedal for lifting the shed and the force to beat the slay. Usually healthy male workers are engaged for weaving. In power loom, both this operation is done by motor but the high cost of the loom is restricting the user to purchase the power loom.

* **PROCESS OF MANUFACTURE**

In the semi-automatic loom, beating, shedding and winding are carried by motor and the picking is done manually and high force is not needed to operate the pedal for lifting the shed and the force to beat the slay. The quality of the mating woven in this loom is good. The picks also can be changed depending on thickness of weft yarn. The cost is less compared to power loom.

* **BASIS AND PRESUMTIONS**
* The Project Profile is based on 8 working hours in a day and 25 days in a month and the Break Even efficiency has been calculated on 70%, 80%, 90%, 90% 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 machine/shift : 110 Sq. meter

Number of machine : 1

Number of Shift per day : 1

Working days p.a : 300 days

Yield wastage : 10% Capacity Utilization

-First year : 70%

-Second year : 80%

-Third year : 90%

-Fourth year : 90%

-Fifth year : 100%

Rate of Average Sales Realization : Rs.270/-per sq,m

Rate of Average cost of raw material : Rs. 62000/-

Interest on term Loan : 12.50%

Interest on working capital : 12.50%

**Manpower requirement**

Skilled worker : 2

Unskilled workers : 4

Total HP required : 10 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. 400000/-
* Machinery &Equipments : Rs. 1693000/-
* Working Capital Rs. 407000/-

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl.**  **No** | **Description of machines &equipments** | **Qty** | **Amount (Rs)** |
| 1 | Semi-Automatic loom 1.50 meter width (7 HP) | 1 | 1400000.00 |
| 2 | Bobbin winding machine 2 head | 1 | 180000.00 |
| 3 | Dying equipments |  | 113000.00 |
| **Total** | |  | 1693000.00 |

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

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**ii) Means of Finance**

* Promoters Capital 5% : Rs. 125000/-
* Bank Term loan 95% : Rs.1988000/-
* WC Loan from Bank 95% : Rs. 387000/- -----------------------

**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 | Sq.meter | 110 | 110 | 110 | 110 | 110 |
| Number of machines |  | 1 | 1 | 1 | 1 | 1 |
| Number of shift/day |  | 1 | 1 | 1 | 1 | 1 |
| Working days per annum |  | 300 | 300 | 300 | 300 | 300 |
| Installed production capacity per annum | Sq.meter | 33000 | 33000 | 33000 | 33000 | 33000 |
| Capacity utilization |  | 70% | 80% | 90% | 90% | 100% |
| Annual production quantity |  | 23100 | 26400 | 29700 | 29700 | 33000 |
| **Annual Sales Realization** | Rs. 270 per sq.meter | **62.37** | **71.28** | **80.19** | **80.19** | **89.10** |
| Cost of Production | | | | | | |
| Raw material requirement | Tons | 50.82 | 58.08 | 65.34 | 65.34 | 72.60 |
| Cost of raw material | Rs. 62000 | 31.51 | 36.01 | 40.51 | 40.51 | 45.01 |
| Dying Charges |  | 6.93 | 7.92 | 8.91 | 8.91 | 9.90 |
| Power cost |  | 0.32 | 0.37 | 0.41 | 0.41 | 0.46 |
| Spares, Repairs & maintenance | 1% | 0.17 | 0.19 | 0.20 | 0.23 | 0.25 |
| Wages & salary |  | 9.58 | 10.94 | 12.31 | 12.31 | 13.68 |
| **Cost of Production** |  | **48.50** | **55.43** | **62.35** | **62.37** | **69.30** |
| **Gross Profit** |  | **13.87** | **15.85** | **17.84** | **17.82** | **19.8** |
| Administrative & Selling expense | 2% | 1.25 | 1.43 | 1.60 | 1.60 | 1.78 |
| Interest on Term Loan |  | 2.09 | 2.20 | 1.82 | 0.66 | 0.28 |
| Interest on Working capital |  | 0.48 | 0.48 | 0.48 | 0.48 | 0.48 |
| Depreciation of machinery |  | 1.69 | 1.69 | 1.69 | 1.69 | 1.69 |
| Depreciation of building |  | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| **Total** |  | **5.71** | **6.00** | **5.79** | **4.63** | **4.43** |
| **Net Profit** |  | **8.16** | **9.85** | **12.05** | **13.19** | **15.37** |

* **ESTIMATION OF BREAK EVEN POINT**

Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
| Capacity utilization | 70% | 80% | 90% | 90% | 100% |
| Break-even point | 39% | 36% | 31% | 24% | 20% |
| Break even Production | 18 | 19 | 18 | 14 | 14 |

* **DEBT SERVICE COVERAGE RATIO**

Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
| Capacity utilization | 70% | 80% | 90% | 90% | 100% |
| DSCR | 3.31 | 2.63 | 3.21 | 4.21 | 5.23 |
| Average DSCR | 3.72 |  |  |  |  |
| DSCR weighted average | 3.58 |  |  |  |  |

* **WORKING CAPITAL REQUIREMENTS**

Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
| Capacity utilization | 70% | 80% | 90% | 90% | 100% |
| Variable Cost | 48.50 | 55.43 | 62.35 | 62.37 | 69.30 |
| Fixed Cost | 5.71 | 6.00 | 5.79 | 4.63 | 4.43 |
| Working capital Gap | 4.07 | 4.66 | 5.26 | 5.29 | 5.90 |