**PROJECT PROFILE FOR COIR MAT BLEACHING UNIT**

**PRODUCT : BLEACHED COIR MAT**

**QUALITY & STANDARD : VC 1 NO 3 SIZE (EXPORT QUALITY)**

**PRODUCTION CAPACITY (P.A)**

**(100% CAPACITY) : 432000 PIECES**

**VALUE : RS. 1425.60 LAKHS**

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

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

 **GOVT OF INDIA**

* **INTRODUCTION**

 3-chain creel mat with the base fabric composed of jute twine and pile structure formed by thin vycome coir yarn of soft twist is termed as “Carnatic mat” in coir trade.. Carnatic mats have a special appeal due to low pile height, lightness and other refinements in product structure. To enable the mat to possess the low pile the base fabric of the carnatic mat is formed out of jute twines. Normally 5ply jute for tight warp and 2ply for binding chain or 3ply jute for weft and vycome carnatic yarn as slack (brush) warp are being used in the mat.

* **PROCESS OF MANUFACTURE**

Bleaching of coir mat is essential for improving the colour. The required quantity of VC 1 NO 3 size (export quality) mats are purchased from the market and bleached with hydrogen peroxide based solution by spray bleaching process and dried.

**BASIS AND PRESUMTIONS**

* The Project Profile is based on 8 working hours for single shifts 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 per day : 480 piece

Number of bleaching machine : 3

Number of Shift per day : 1

Working days p.a : 300 days

Capacity Utilization

-First year : 70%

-Second year : 80%

-Third year : 90%

-Fourth year : 90%

-Fifth year : 100%

Rate of Average Sales Realization : Rs. 330 per mats

Rate of Average cost of natural mat

After conducting all the finishing operation : Rs. 290 per piece

Interest on term Loan : 12.50%

Interest on working capital : 12.50%

**Manpower requirement**

 Supervisor : 1

 Skilled worker : 9

 Unskilled workers : 4

* **FINANCIAL ASPECTS**

**i) Cost of Project**

 **Amount**

* Land : Lease/owned
* Work shed : Rs.650000/-
* Machinery &Equipments : Rs.900000/-
* Working Capital Rs.649000/-

 **---------------------- Total : Rs. 2199000/-**

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|  |  |  |  |
| --- | --- | --- | --- |
| **S**l**.****No** | **Description of machines &equipments** | **Qty** | **Amount (Rs)** |
| 1 | Bleaching Machine | 3 | 750000.00 |
| 2 | Accessories such as Cable, Mixing tank, Compressor |  | 150000.00- |
| **Total** |  | 900000.00 |

**ii) Means of Finance**

* Promoters Capital 5% : Rs. 110000/-
* Bank Term loan 95% : Rs.1473000/-
* WC Loan from Bank 95% : Rs. 616000/- ---------------------

**Total : Rs.2199000/-**

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**DETAILS OF THE PROFITABILITY OF THE PROJECT**

 Rs.in Lakhs

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Years** |  | **1** | **2** | **3** | **4** | **5** |
| Installed Production capacity per machine/day | Nos | 480.00 | 480.00  | 480.00  | 480.00  | 480.00  |
| Number of achines |  | 3 | 3 | 3 | 3 | 3 |
| Number of shift/day |  | 1 | 1 | 1 | 1 | 1 |
| Working days per annum |  | 300 | 300 | 300 | 300 | 300 |
| Installed production capacity per annum | Nos | 432000  | 432000  | 432000  | 432000  | 432000  |
| Capacity utilization |  | 70% | 80% | 90% | 90% | 100% |
| Annual production quantity |  | 302400  | 345600  | 388800  | 388800  | 432000  |
| **Annual Sales Realization** | Rs.330  | **997.92**  | **1140.48**  | **1283.04**  | **1283.04**  | **1425.60**  |
| Cost of Production  |
| Raw material requirement |  | 317520.00  | 362880.00  | 408240.00  | 408240.00  | 453600.00  |
| Cost of raw material | Rs. 290  | 920.81  | 1052.35  | 1183.90  | 1183.90  | 1315.44  |
| Bleaching cost |  | 51.41 | 58.75 | 66.10 | 66.10 | 73.44 |
| Spares, Repairs & maintenance | 1% | 0.09  | 0.10  | 0.11  | 0.12  | 0.13  |
| Power cost |  | 0.71  | 0.81  | 0.91  | 0.91  | 1.02  |
| Wages & salary |  | 17.89  | 20.45  | 23.00  | 23.00  | 25.56  |
| **Cost of Production** |  | **990.91**  | **1132.46**  | **1274.02**  | **1274.03**  | **1415.59**  |
| **Gross Profit** |  | **7.01** | **8.02** | **9.02** | **9.01** | **10.01** |
| Interest on Term Loan |  | 1.50 | 1.65 | 1.39 | 0.45 | 0.19 |
| Interest on Working capital |  | 0.77 | 0.77 | 0.77 | 0.77 | 0.77 |
| Depreciation of machinery |  | 0.90  | 0.90  | 0.90  | 0.90  | 0.90  |
| Depreciation of building |  | 0.33  | 0.33  | 0.33  | 0.33  | 0.33  |
| **Total** |  | **3.5** | **3.65** | **3.39** | **2.45** | **2.19** |
| **Net Profit** |  | **3.52** | **4.37** | **5.63** | **6.57** | **7.82** |

* **ESTIMATION OF BREAK EVEN POINT**

Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
| Capacity utilization | 70% | 80% | 90% | 90% | 100% |
| Break-even point | 44% | 40% | 32% | 20% | 15% |
| Break even Production | 131903  | 137049  | 123329  | 78968  | 66245  |

* **DEBT SERVICE COVERAGE RATIO**

 Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
| Capacity utilization | 70% | 80% | 90% | 90% | 100% |
| DSCR | 2.35 | 1.87 | 2.30 | 3.17 | 3.98 |
| Average DSCR | 2.73 |  |  |  |  |
| DSCR weighted average | 2.61 |  |  |  |  |

* **WORKING CAPITAL REQUIREMENTS**

Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
| Capacity utilization | 70% | 80% | 90% | 90% | 100% |
| Variable Cost | 990.91 | 1132.46 | 1274.02 | 1274.03 | 1415.59 |
| Fixed Cost | 3.5 | 3.65 | 3.39 | 2.45 | 2.19 |
| Working capital Gap | 6.49 | 7.43 | 8.37 | 8.40 | 9.35 |