

PROJECT PROFILE AUTOMATIC COIR FIBRE DRIER UNIT

PRODUCT	:	DRIED COIR FIBRE
PRODUCTION CAPACITY (P.A)		
(100% CAPACITY)	:	1200 TON
VALUE	:	RS. 312.00 LAKHS
MONTH & YEAR OF PREPARATION	:	JUNE 2018
PREPARED BY	:	COIR BOARD, MINISTRY OF MSME, GOVT OF INDIA

INTRODUCTION

The extracted coir fibres from coconut husks are dried by blowing hot air for reducing the moisture content as per customer requirement .

PROCESS OF MANUFACTURE

The coir fibre extracted by mechanical means are fed to the automatic conveyor in a sheet form and the fibre is dried by blowing hot air .It is then tied to bundles and baled for transportation.

• BASIS AND PRESUMPTIONS

- 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 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 day	:	2 Ton per day
Number of Shift per day	:	2
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. 26000
Rate of Average cost of raw material	:	Rs. 20000
Interest on term Loan	:	12.50%
Interest on working capital	:	12.50%
Manpower requirement		
Supervisor	:	1
Unskilled worker	:	6

- **FINANCIAL ASPECTS**

i) Cost of Project

	Amount
• Land	: Lease/owned
• Building	: Rs. 600000/-
• Machinery & Equipments	: Rs.1348000/-
• Working Capital	Rs. 552000/-

Total	: Rs. 2500000/-

Sl. No	Description of machines & equipments	Qty	Amount (Rs)
1	Coir fiber Drier 15 HP (including heat exchanger, Drier, Blower, piping etc.)		1348000.00
Total			13480000.00

ii) Means of Finance

• Promoters Capital	5%	:	Rs. 125000/-
• Bank Term loan	95%	:	Rs.1851000/-
• WC Loan from Bank	95%	:	Rs. 524000/-

Total : **Rs.2500000/-**

• **DETAILS OF THE PROFITABILITY OF THE PROJECT**

Rs.in Lakhs

Years		1	2	3	4	5
Installed Production capacity/shift		2.00	2.00	2.00	2.00	2.00
Number of shift/day		2	2	2	2	2
Working days per annum		300	300	300	300	300
Installed production capacity per annum		1200	1200	1200	1200	1200
Capacity utilization		70%	80%	90%	90%	100%
Annual production quantity		840	960	1080	1080	1200
Annual Sales Realization	Rs. 26000	218.40	249.60	280.80	280.80	312.00
Cost of Production						
Raw material requirement	Tons	966	1104	1242	1242	1380
Cost of raw material	Rs. 20000	193.20	220.80	248.40	248.40	276.00
Spares, Repairs & maintenance	1%	0.13	0.15	0.16	0.18	0.20
Cost of Fire wood		10.50	12.00	13.50	13.50	15.00
Wages & salary		7.06	8.06	9.07	9.07	10.08
Power Cost		0.71	0.81	0.91	0.91	1.02
Cost of Production		211.60	241.82	272.05	272.07	302.29
Gross Profit		6.80	7.78	8.75	8.73	9.71
Interest on Term Loan		1.92	2.06	1.72	0.60	0.26
Interest on Working capital		0.66	0.66	0.66	0.66	0.66
Depreciation of machinery		1.35	1.35	1.35	1.35	1.35

Depreciation of building		0.30	0.30	0.30	0.30	0.30
Total		4.23	4.36	4.02	2.90	2.56
Net Profit		2.57	3.42	4.73	5.83	7.15

- ESTIMATION OF BREAK EVEN POINT**

Rs in Lakhs

Particulars	1	2	3	4	5
	70%	80%	90%	90%	100%
Break-even point	58%	52%	42%	28%	21%
Break even Production (Ton)	488	500	449	300	252

- DEBT SERVICE COVERAGE RATIO**

Rs in Lakhs

Particulars	1	2	3	4	5
	70%	80%	90%	90%	100%
DSCR	1.78	1.43	1.76	2.34	2.94
Average DSCR	2.05				
DSCR weighted average	1.97				

- WORKING CAPITAL REQUIREMENTS**

Rs in Lakhs

Particulars	1	2	3	4	5
	70%	80%	90%	90%	100%
Variable Cost	211.60	241.82	272.05	272.07	302.29
Fixed Cost	4.23	4.36	4.02	2.90	2.56

Working capital gap	5.52	6.31	7.11	7.15	7.96
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