

PROJECT PROFILE FOR COIR HANDICRAFT/ORNAMENTS

PRODUCTON UNIT

PRODUCT	:	COIR HANDICRAFTS & ORNAMENTS
PRODUCTION CAPACITY (P.A)		
(100% CAPACITY)	:	7 TONS
VALUE	:	RS.113.40 LAKHS
MONTH & YEAR OF PREPARATION	:	JUNE 2018
PREPARED BY	:	COIR BOARD, MINISTRY OF MSME, GOVT OF INDIA

• INTRODUCTION

The coir fibre is blended with sisal, banana, jut and silk and diversified products including handicrafts such as slippers, bags, umbrella, lamp shades, elephants, deer, horse, watch straps, pen stands, Jackets and similar gift articles were made from it. Coir ornaments such as chains, rings, bangles, necklaces are also made from coir fibre.

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 90% 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 Set of frame per day	:	0.01
Number of Shift per day	:	2
Working days p.a	:	300 days
Yield wastage	:	5%
Capacity Utilization		
-First year	:	70%
-Second year	:	80%
-Third year	:	90%
-Fourth year	:	90%
-Fifth year	:	90%
Rate of Average Sales Realization	:	Rs. 1750000 per ton
Rate of Average cost of raw material	:	Rs.600000
Interest on term Loan	:	12.50%
Interest on working capital	:	12.50%
Manpower requirement		
Supervisor	:	1
Skilled worker	:	30

- **FINANCIAL ASPECTS**

- i) Cost of Project**

	Amount
• Land	: Lease/owned
• Work shed	: Rs. 400000/-
• Machinery & Equipments	: Rs.93000/-
• Working Capital	Rs.207000/-

Total	: Rs. 700000/-

Sl. No	Description of machines & equipments	Qty	Amount (Rs)
1	Needles, Tables, Benches, Nails etc		100000.00
Total			100000.00

- ii) Means of Finance**

• Promoters Capital	5%	:	Rs.35000/-
• Bank Term loan	95%	:	Rs.468000/-
• WC Loan from Bank	95%	:	Rs.197000/-

Total		:	Rs.700000/-

DETAILS OF THE PROFITABILITY OF THE PROJECT

Rs.in Lakhs

Years		1	2	3	4	5
Installed Production capacity per set of frame per day	Nos	0.01	0.01	0.01	0.01	0.01
Number of shift/day		2	2	2	2	2
Working days per annum		300	300	300	300	300
Installed production capacity per annum	Nos	7	7	7	7	7
Capacity utilization		70%	80%	90%	90%	90%
Annual production quantity	Tons	5	6	6	6	6
Annual Sales Realization	<i>Rs.1,750,000</i>	88.20	100.80	113.40	113.40	113.40
Cost of Production						
Raw material requirement	Tons	5.29	6.05	6.80	6.80	6.80
Cost of raw material	Rs. 600,000	31.75	36.29	40.82	40.82	40.82
Wages & salary		51.66	59.04	66.42	66.42	66.42
Cost of Production		83.41	95.33	107.24	107.24	107.24
Gross Profit		4.79	5.47	6.16	6.16	6.16
Administrative & selling expenses	2%	1.76	2.02	2.27	2.27	2.27
Interest on Term Loan		0.48	0.52	0.44	0.14	0.06
Interest on Working capital		0.25	0.25	0.25	0.25	0.25
Depreciation of machinery		0.09	0.09	0.09	0.09	0.09
Depreciation of building		0.20	0.20	0.20	0.20	0.20
Total		2.78	3.08	3.25	2.95	2.87
Net Profit		2.01	2.39	2.91	3.21	3.29

ESTIMATION OF BREAK EVEN POINT

Rs in Lakhs

Particulars	1	2	3	4	5
	70%	80%	90%	90%	90%
Break-even point	55%	51%	40%	24%	19%
Break even Production	3	3	3	2	1

- **DEBT SERVICE COVERAGE RATIO**

Rs in Lakhs

Particulars	1	2	3	4	5
	70%	80%	90%	90%	90%
DSCR	3.21	2.56	3.14	4.33	4.83
Average DSCR	3.62				
DSCR weighted average	3.47				

- **WORKING CAPITAL REQUIREMENTS**

Rs in Lakhs

Particulars	1	2	3	4	5
	70%	80%	90%	90%	90%
Variable Cost	83.41	95.33	107.24	107.24	107.24
Fixed Cost	2.78	3.08	3.25	2.95	2.87
Working capital Gap	2.07	2.37	2.68	2.72	2.76

